API Well Number: 43047526730000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3
AMENDED REPORT ☑

APPLICATION FOR PERMIT TO DRILL

1. WELL NAME and NUMBER DS 16G-8-10-18	
2. TYPE OF WORK DRILL NEW WELL ◉ REENTER P&A WELL ○ DEEPEN WELL ○	**3. FIELD OR WILDCAT** UTELAND BUTTE
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO	**5. UNIT or COMMUNITIZATION AGREEMENT NAME** NEMO (GR)
6. NAME OF OPERATOR QEP ENERGY COMPANY	**7. OPERATOR PHONE** 303 308-3068
8. ADDRESS OF OPERATOR 11002 East 17500 South, Vernal, Ut, 84078	**9. OPERATOR E-MAIL** debbie.stanberry@qepres.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU81003	**11. MINERAL OWNERSHIP** FEDERAL ◉ INDIAN ○ STATE ○ FEE ○
12. SURFACE OWNERSHIP FEDERAL ◉ INDIAN ○ STATE ○ FEE ○	
13. NAME OF SURFACE OWNER (if box 12 = 'fee')	**14. SURFACE OWNER PHONE (if box 12 = 'fee')**
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')	**16. SURFACE OWNER E-MAIL (if box 12 = 'fee')**
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')	**18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS** YES ○ (Submit Commingling Application) NO ◉
19. SLANT VERTICAL ○ DIRECTIONAL ○ HORIZONTAL ◉	

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	551 FSL 671 FEL	SESE	8	10.0 S	18.0 E	S
Top of Uppermost Producing Zone	551 FSL 671 FEL	SESE	8	10.0 S	18.0 E	S
At Total Depth	551 FSL 671 FEL	SESE	8	10.0 S	18.0 E	S

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 551	**23. NUMBER OF ACRES IN DRILLING UNIT** 1199
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1800	**26. PROPOSED DEPTH** MD: 4453 TVD: 4453
27. ELEVATION - GROUND LEVEL 5256	**28. BOND NUMBER** ESB000024	**29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** 49-251/ 49-2153

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
SURF	12.25	9.625	0 - 450	36.0	J-55 ST&C	0.0	Rockies Lite	170	1.81	13.5
PROD	8.75	7	0 - 4373	26.0	N-80 LT&C	9.5	Halliburton Light , Type Unknown	330	2.95	11.0
							50/50 Poz	190	1.24	13.5

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	☑ COMPLETE DRILLING PLAN
☐ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
☑ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	☑ TOPOGRAPHICAL MAP

NAME Valyn Davis	**TITLE** Regulatory Affairs Analyst	**PHONE** 435 781-4369
SIGNATURE	**DATE** 05/15/2012	**EMAIL** Valyn.Davis@qepres.com
API NUMBER ASSIGNED 43047526730000	**APPROVAL** Permit Manager	

RECEIVED: May 22, 2012

QEP Energy Company
DS 16G8-10-18
Summarized Drilling Procedure

1. MIRU air rig.
2. Drill 12-1/4" hole to 450' on air.
3. Run and cement 9-5/8" 36# J-55 STC.
4. RDMO air rig.
5. MIRU drilling rig.
6. NU and test rig's 3M BOPE
7. Drill 8-3/4" hole with water based mud to 4,373'
8. Log with triple combo.
9. RIH with 7" 26# N-80 LTC casing and cement.
10. Drill out of 7" casing with 6 1/8" bit.
11. Start building curve at 4,453' to land in the C1 Lime
12. Cont drilling lateral to TD at 7,614 MD / 5,022' TVD / 87.8 deg INC / 358 deg AZ
13. RIH with 4-1/2" 11.6# HCP-110 LTC liner with packers and sleeves. TOL at 4,348'.
14. RIH and set RBP at 4,336'. Orient and set whipstock on RBP.
15. Mill window and build 6 1/8" curve to land in the C1 Lime.
16. Cont drilling lateral to TD at 8,007' MD / 4,817' TVD / 91.6 deg INC / 221 deg AZ
17. RIH with 4-1/2" 11.6# HCP-110 LTC liner with packers and sleeves. TOL at 4,336', 5' outside window.
18. Set RBP at +/- 4,000'.
19. RDMO drilling rig.
20. Release location to completions.

QEP ENERGY COMPANY
DS 16G8-10-18
SHL: 551' FSL & 671' FEL Section 8 T10S R18E
BHL 1: 1,850' FNL & 760' FEL Section 8 T10S R18E
BHL 2: 1,980' FNL & 2,400' FWL Section 17 T10S R18E
Uintah County, Utah

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil & Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated top of important geologic markers are as follows:

N Lateral #1:

Formation	Depth, MD (ft)	Depth, TVD (ft)
Uinta	Surface	Surface
Green River	1087	1087
Garden Gulch Mbr	2672	2672
KOP	4453	4453
Uteland Butte Mbr	4762	4741
C Lime Top	5147	4928
TD	7614	5022

SW Lateral #2:

Formation	Depth, MD (ft)	Depth, TVD (ft)
Uinta	Surface	Surface
Green River	1087	1087
Garden Gulch Mbr	2672	2672
KOP	4323	4323
Uteland Butte Mbr	4779	4733
C Lime Top	5199	4896
TD	8007	4817

2. Anticipated Depths of Oil, Gas, Water, and Other Mineral Bearing Zones

The estimated depths at which anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered as follows:

QEP ENERGY COMPANY
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Uintah County, Utah

N Lateral #1:

Substance	Formation	Depth, MD	Depth, TVD
Oil/Gas	C Lime	5,147'	4,928'

SW Lateral #2:

Substance	Formation	Depth, MD	Depth, TVD
Oil/Gas	C Lime	5,199'	4,896'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right A36125 (which was filed on May 7, 1964) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at LaPoint Recycling and Storage in Section 12, T5S R19E of Uintah County, UT or Red Wash Disposal site; SESE, Section 28, T7S, R23E or West End Disposal Site; NESE, Section 28, T7S, R22E.

3. Operator's Specification for Pressure Control Equipment

A. 3,000 psi double gate, 3,000 psi annular (schematic attached)

B. Function test daily.

C. All casing strings shall be pressure tested (0.22 psi/ft or 1,500 psi, whichever is greater) prior to milling the first window; test pressure shall not exceed the internal yield of the casing.

D. Ram type preventers and associated equipment shall be tested to rated working pressure if isolated by a test plug or to 50% of the internal yield pressure of casing, whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil & Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

QEP ENERGY COMPANY
DS 16G8-10-18
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BHL 2: 1,980' FNL & 2,400' FWL Section 17 T10S R18E
Uintah County, Utah

4. Casing Program

Hole Size	Casing Size	Top, MD	Bottom, MD	Weight, lb/ft	Grade	Thread	Condition	MW
20"	16"	sfc	40	Steel			New	N/A
12 ¼"	9 5/8"	sfc	450	36.0	J-55	STC	New	Air
8 ¾"	7"	sfc	4373	26.0	N-80	LTC	New	9.5
6 1/8"	4 ½"	4348	7584	11.6	N-80	LTC	New	9.5
6 1/8"	4 ½"	4336	7977	11.6	N-80	LTC	New	9.5

Casing Strengths						
Size (in)	Weight (ppf)	Grade	CXN	Collapse (psi)	Burst (psi)	Tensile (lbs)
9 5/8"	36	J-55	STC	2020	3520	394000
7"	26	N-80	LTC	5410	7240	519000
4 ½"	11.6	N-80	LTC	6350	7780	212000

*The lateral(s) will be lined with a swell packer / frack port liner and left uncemented.

Please refer to the attached wellbore diagram and re-entry procedure for further details.

MINIMUM DESIGN FACTORS*:
*The casing listed meets or exceeds the following design factors.

COLLAPSE: 1.6
BURST: 1.6
TENSION: 1.8

Area Fracture Gradient: 0.7 psi/foot
Maximum anticipated mud weight: 9.5 ppg
Maximum surface treating pressure: 4,000 psi

5. Auxilliary Equipment

A. Kelly Cock – Yes

B. Float at the bit – No

C. Monitoring equipment on the mud system – visually and/or PVT or Flow Show

D. Fully opening safety valve on the rig floor – Yes

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DS 16G8-10-18
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Uintah County, Utah

E. Rotating Head – Yes

If drilling with air the following will be used:

F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.

G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').

H. Compressor shall be tied directly to the blooie line through a manifold.

I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

The surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

Laterals will be drilled with an inhibitive water-based mud system consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash, and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used the concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow show will be used upon exit of surface casing to TD.

Gas detector will be used upon exit of surface casing to TD.

6. Cementing Program

16" Conductor:
Cement to surface with construction cement

9-5/8" Surface Casing: 0' – 450' (MD)
Lead/Tail Slurry: 0' – 450'. 170 sks (282 cu ft) Rockies LT cement. Slurry wt: 13.5 ppg, Slurry yield: 1.81 ft^3/sk, Slurry volume: 12-1/4" hole + 100% excess.

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BHL 2: 1,980' FNL & 2,400' FWL Section 17 T10S R18E
Uintah County, Utah

7" Production Casing: 0' – 4,373' (MD)
Lead Slurry: 0' – 3,373'. 330 sks (954 cu ft) Halliburton Light Cement. Slurry weight: 11.0 ppg, Slurry yield: 2.95 ft^3/sk, Slurry volume: 8.75" hole + 100% excess in open hole.
Tail Slurry: 3,373' – 4,373'. 190 sks (272 cu ft) 50/50 Poz Premium. Slurry wt: 13.5 ppg, Slurry yield: 1.24 ft^3/sk, Slurry volume: 8-3/4" hole + 75% excess.

NNE Lateral #1: 4,348' – 7,584'
Uncemented liner with packers and sleeves.

SSE Lateral #2: 4,336' – 8,007'
Uncemented liner with packers and sleeves.

7. Testing, Logging, and Coring Program

A. Cores – None Anticipated

B. DST – None Anticipated

C. Logging:
   i. Mud logging from 1,000' to TD
   ii. Triple combo from BSC to ICP deg INC
   iii. MWD-GR will be utilized during drilling operations to aid in landing the curve and maintaining the laterals within the desired zone.

D. Formation and completion interval: C1 Lime, final determination of completion will be made by analysis of mud logging data. Stimulation: stimulation will be designed for the particular area of interest encountered.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H_2S has been encountered or is known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom-hole pressure equals approximately 2,160 psi. Maximum anticipated bottom hole temperature is approximately 140°F.

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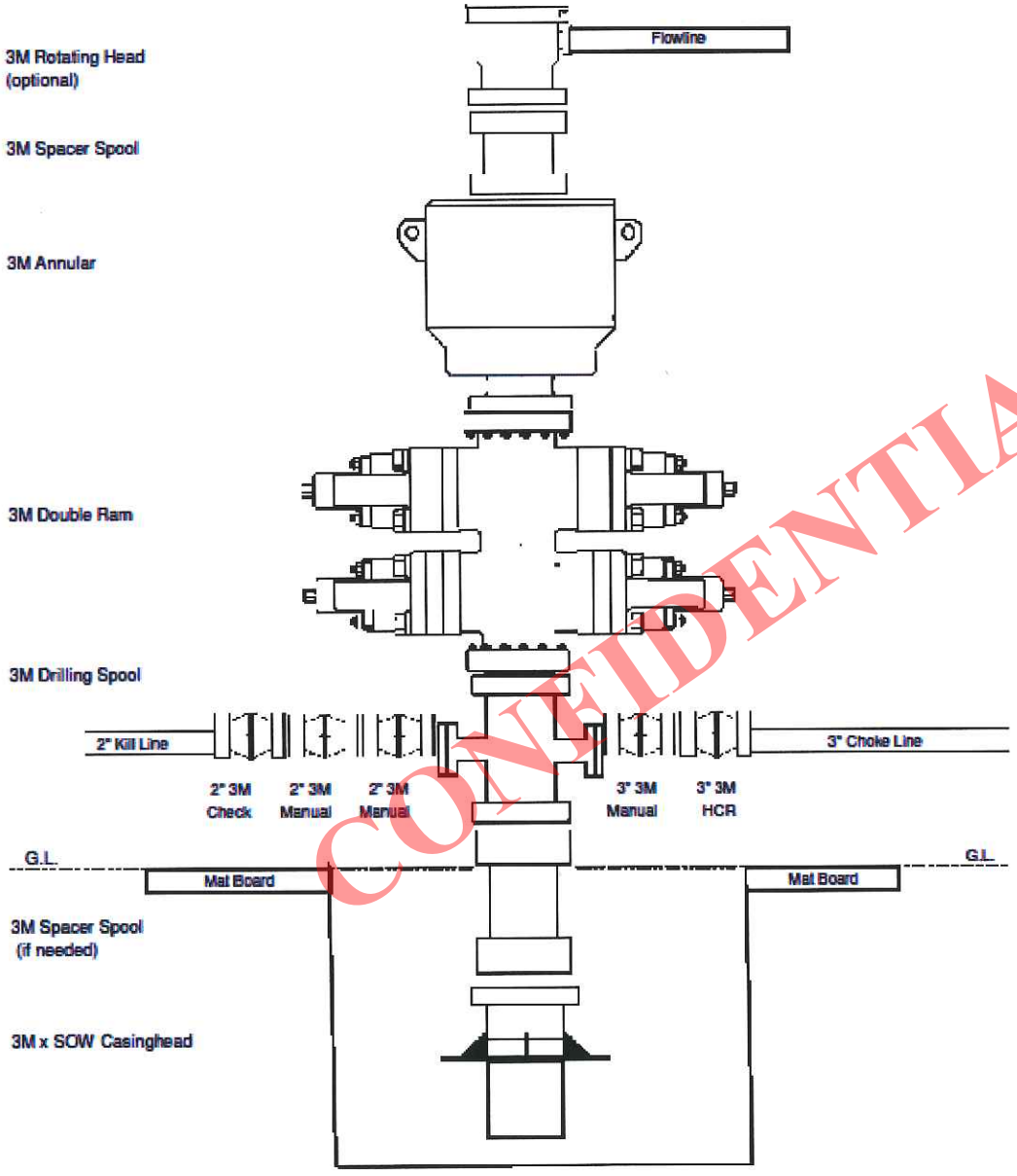
Uintah County, Utah

3M BOP x 3M Annular
Minimum Requirements



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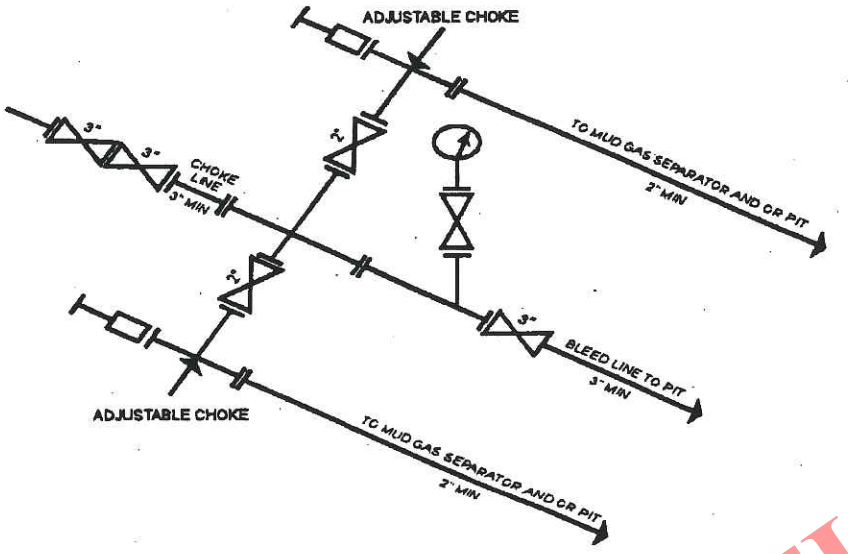

3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY
[54 FR 39528, Sept. 27, 1989]

API Well Number: 43047526730000

Proposed
DS 16G8-10-18

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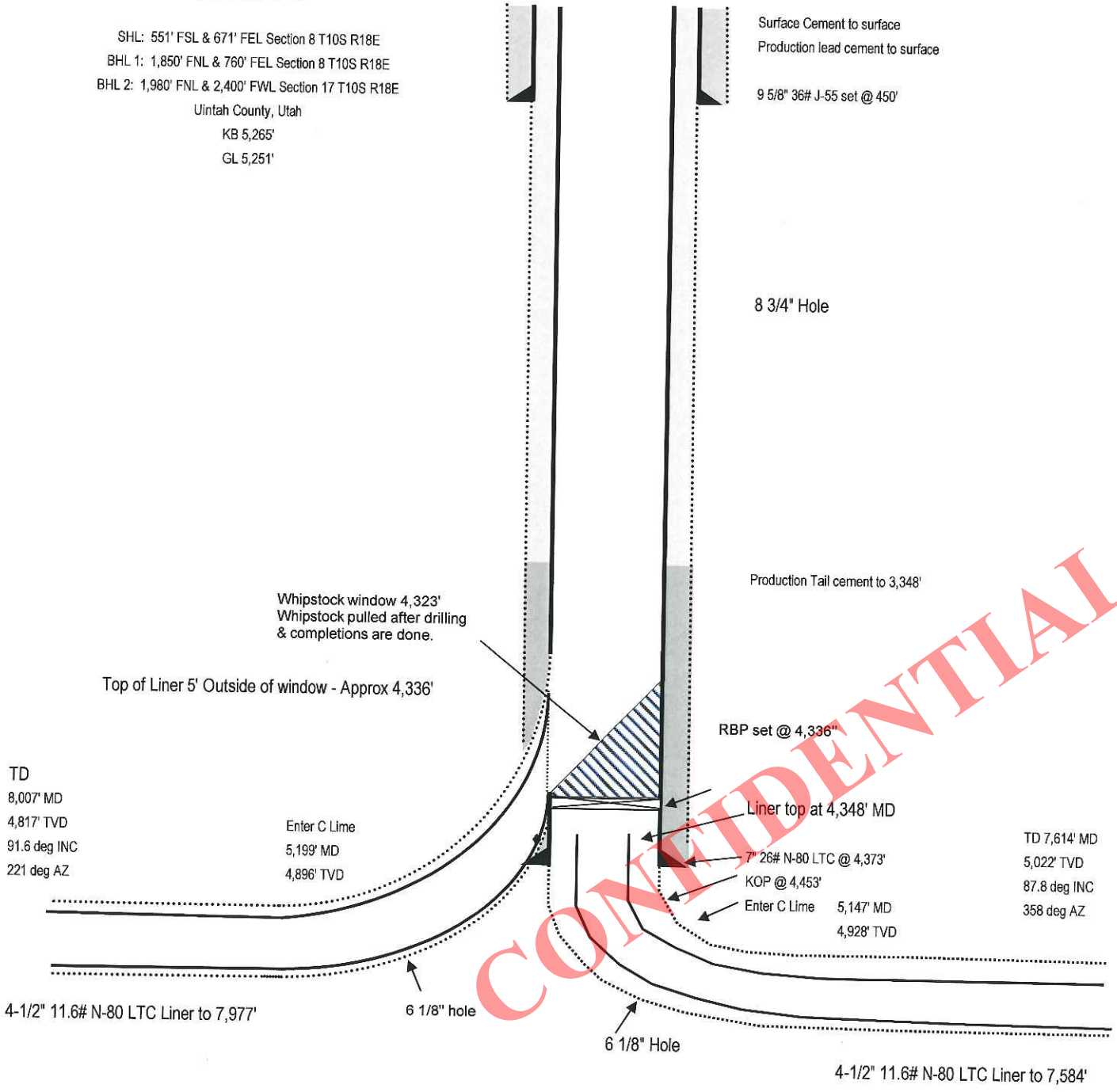
BHL 2: 1,980' FNL & 2,400' FWL Section 17 T10S R18E
Uintah County, Utah
KB 5,265'
GL 5,251'



API Well Number: 43047526730000

WELL LOCATION PLAT
T10S, R18E, S.L.B.&M.

QEP ENERGY COMPANY

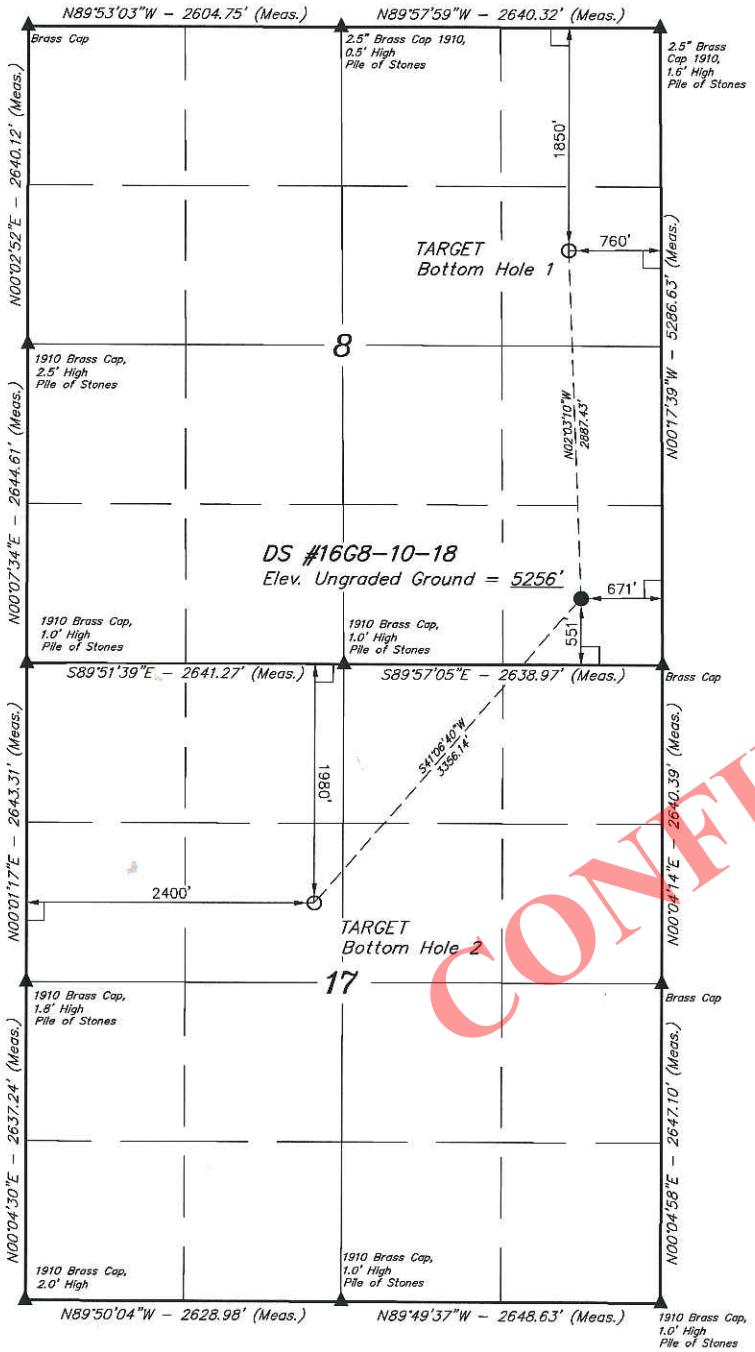
Well location, DS #16G8-10-18, located as shown in the SE 1/4 SE 1/4 of Section 8, T10S, R18E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

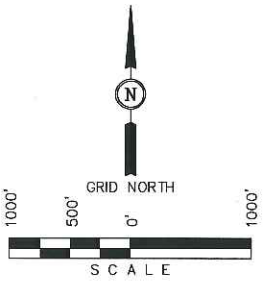
SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 14, T10S, R18E, S.L.B.&M., TAKEN FROM THE MOON BOTTOM QUADRANGLE, UTAH, UINTAH COUNTY 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5129 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



VERTICAL CONTROL DATUM: NAVD88



NAD 83 (SURFACE LOCATION)	
LATITUDE =	39°57'09.74" (39.952706)
LONGITUDE =	109°54'37.07" (109.910297)
NAD 27 (SURFACE LOCATION)	
LATITUDE =	39°57'09.87" (39.952742)
LONGITUDE =	109°54'34.54" (109.909594)
NAD 83 (TARGET BOTTOM HOLE 1)	
LATITUDE =	39°57'38.25" (39.960625)
LONGITUDE =	109°54'38.41" (109.910669)
NAD 27 (TARGET BOTTOM HOLE 1)	
LATITUDE =	39°57'38.38" (39.960661)
LONGITUDE =	109°54'35.89" (109.909969)
NAD 83 (TARGET BOTTOM HOLE 2)	
LATITUDE =	39°56'44.74" (39.945761)
LONGITUDE =	109°55'05.38" (109.918161)
NAD 27 (TARGET BOTTOM HOLE 2)	
LATITUDE =	39°56'44.87" (39.945797)
LONGITUDE =	109°55'02.85" (109.917458)

LEGEND:

- ∟ = 90° SYMBOL
- ● = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

No. 161319 REGISTERED LAND SURVEYOR ROBERT L. KAY STATE OF UTAH 01-18-12

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 11-14-11	DATE DRAWN: 12-12-11
PARTY: A.F. J.M. S.F.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: QEP ENERGY COMPANY	

API Well Number: 43047526730000

QEP ENERGY COMPANY

DS #16G8-10-18

LOCATED IN UINTAH COUNTY, UTAH
SECTION 8, T10S, R18E, S.L.B.&M.

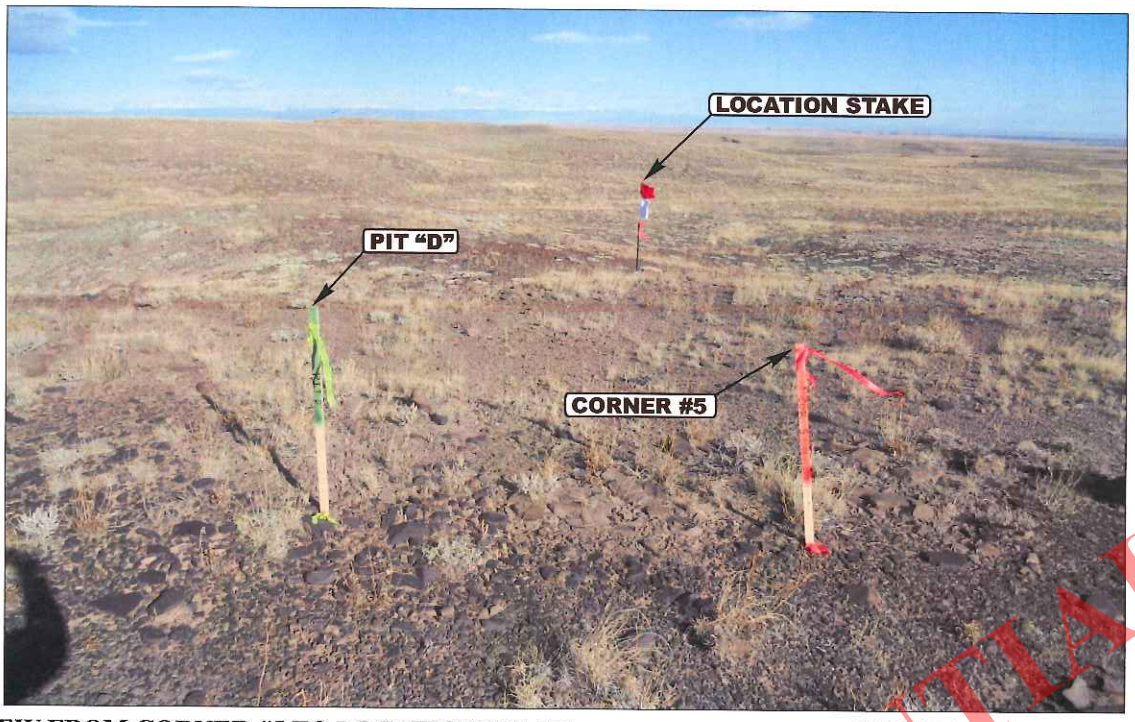


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHERLY**

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: NORTHERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS	11 MONTH	29 DAY	11 YEAR	PHOTO
TAKEN BY: A.F.	DRAWN BY: J.L.G.	REVISED: 00-00-00		

API Well Number: 43047526730000

WELL LOCATION PLAT
T10S, R18E, S.L.B.&M.

QEP ENERGY COMPANY

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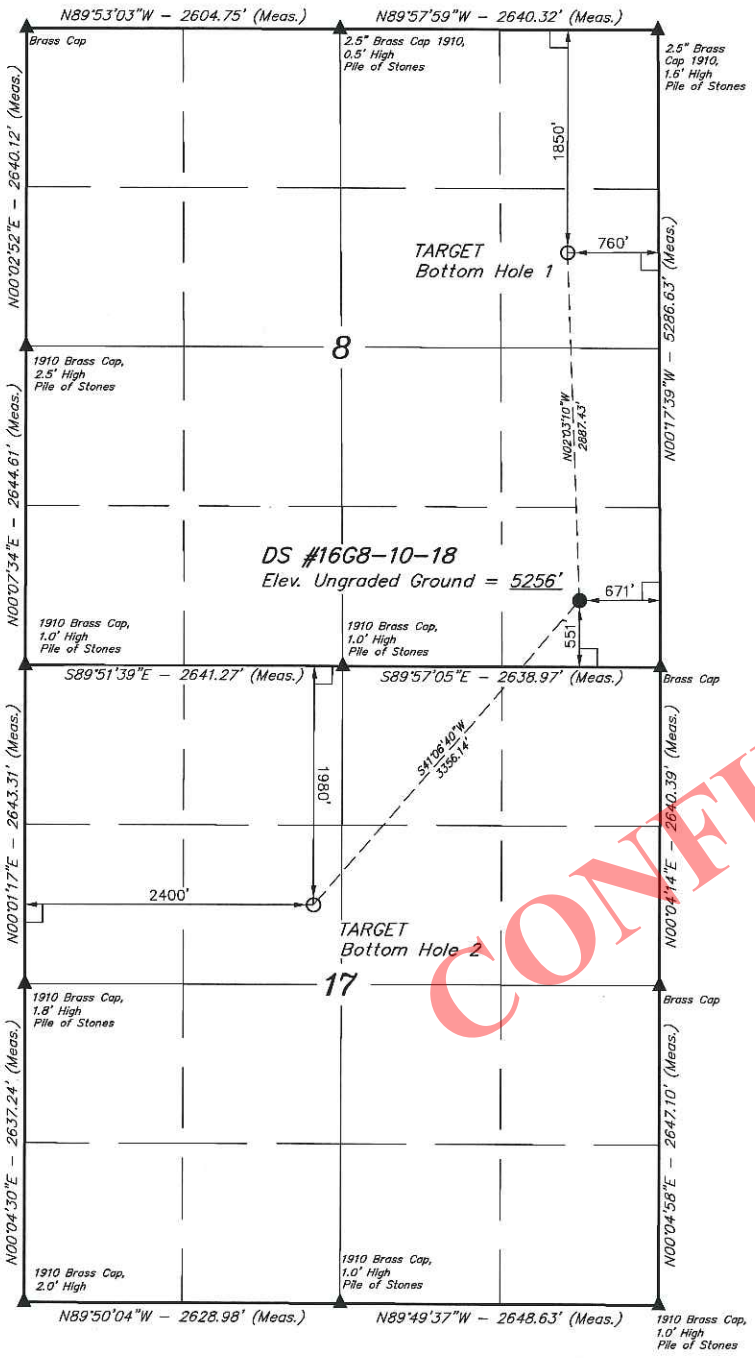

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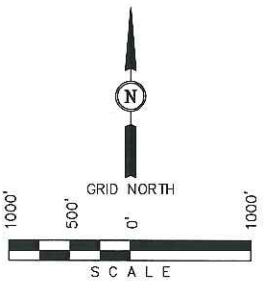

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REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 11-14-11	DATE DRAWN: 12-12-11
PARTY: A.F. J.M. S.F.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: QEP ENERGY COMPANY	

API Well Number: 43047526730000

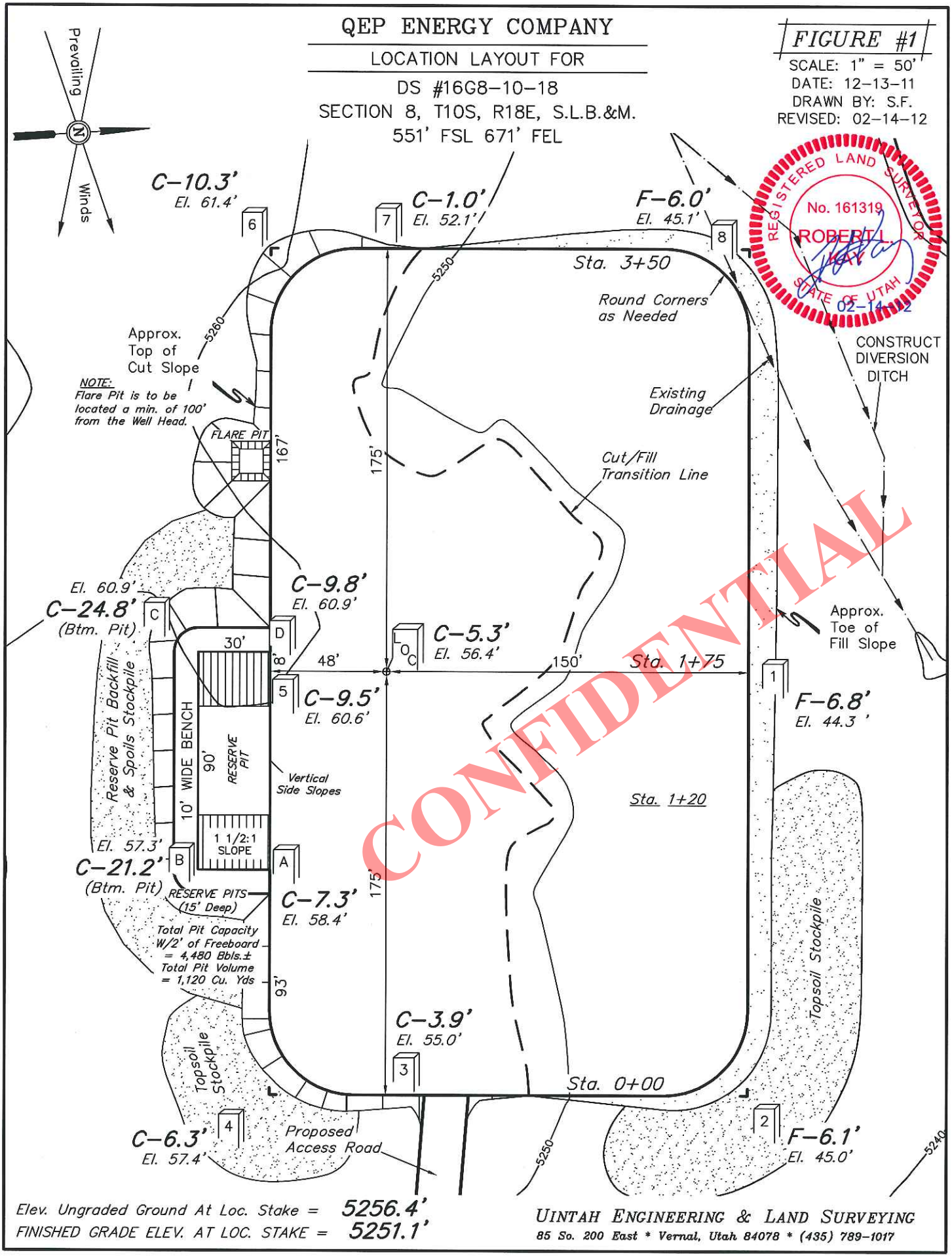
QEP ENERGY COMPANY

LOCATION LAYOUT FOR

DS #16G8-10-18
SECTION 8, T10S, R18E, S.L.B.&M.
551' FSL 671' FEL

FIGURE #1
SCALE: 1" = 50'
DATE: 12-13-11
DRAWN BY: S.F.
REVISED: 02-14-12

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH
02-14-12



CONFIDENTIAL

Elev. Ungraded Ground At Loc. Stake = 5256.4'
FINISHED GRADE ELEV. AT LOC. STAKE = 5251.1'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

API Well Number: 43047526730000

QEP ENERGY COMPANY

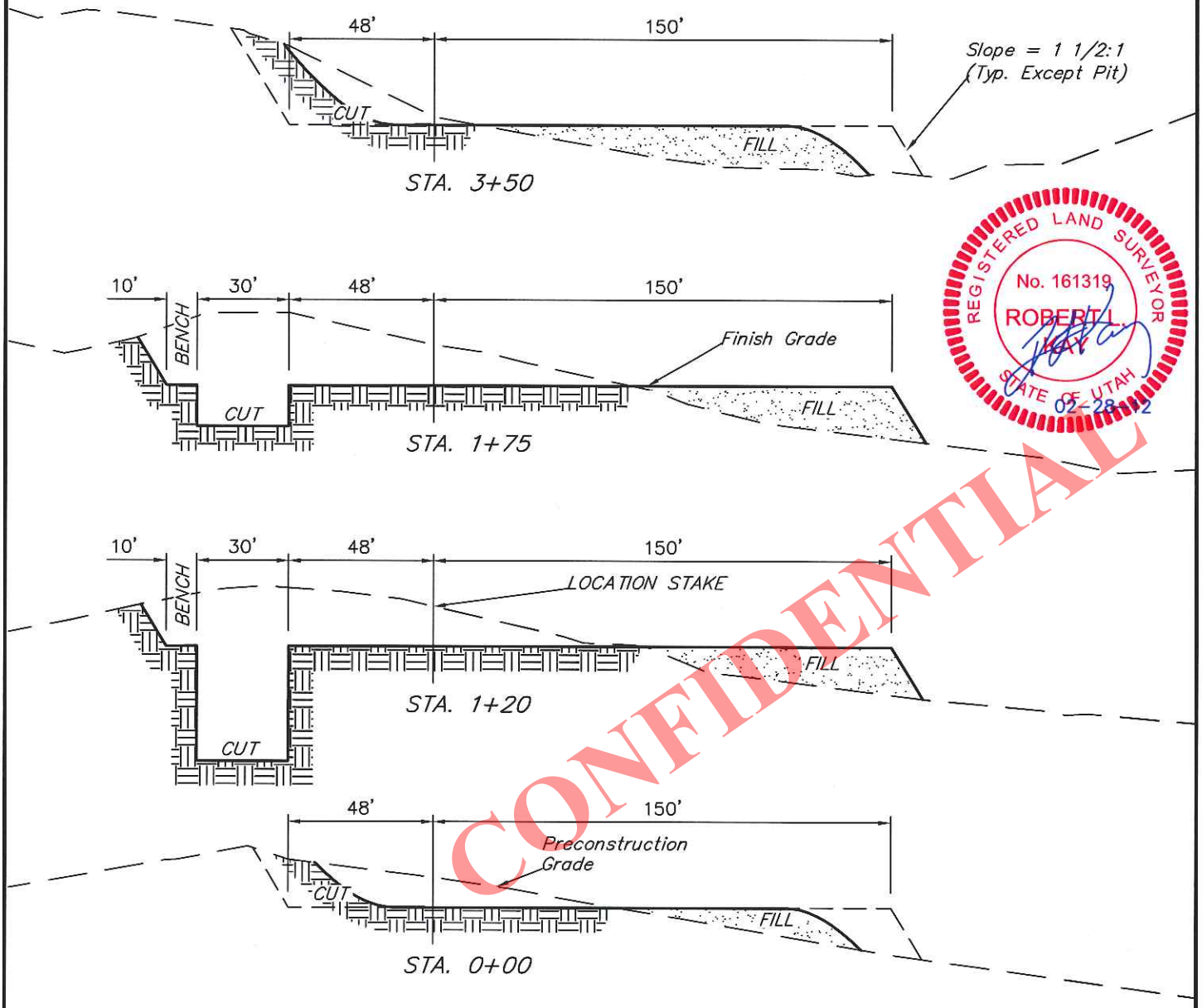
TYPICAL CROSS SECTIONS FOR

DS #16G8-10-18
SECTION 8, T10S, R18E, S.L.B.&M.
551' FSL 671' FEL

FIGURE #2

SCALE: 1" = 50'
DATE: 12-13-11
DRAWN BY: S.F.
REVISED: 02-07-12
REVISED: 02-14-12
REVISED: 02-28-12

1" = 20'
X-Section Scale
1" = 50'



REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH
02-28-12

CONFIDENTIAL

NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE ACREAGES
WELL SITE DISTURBANCE = ± 2.316 ACRES
ACCESS ROAD DISTURBANCE = ± 1.492 ACRES
TOTAL = ± 3.808 ACRES

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,630 Cu. Yds.
Remaining Location	=	7,140 Cu. Yds.
TOTAL CUT	=	8,770 CU.YDS.
FILL	=	6,580 CU.YDS.

EXCESS MATERIAL	=	2,190 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,190 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

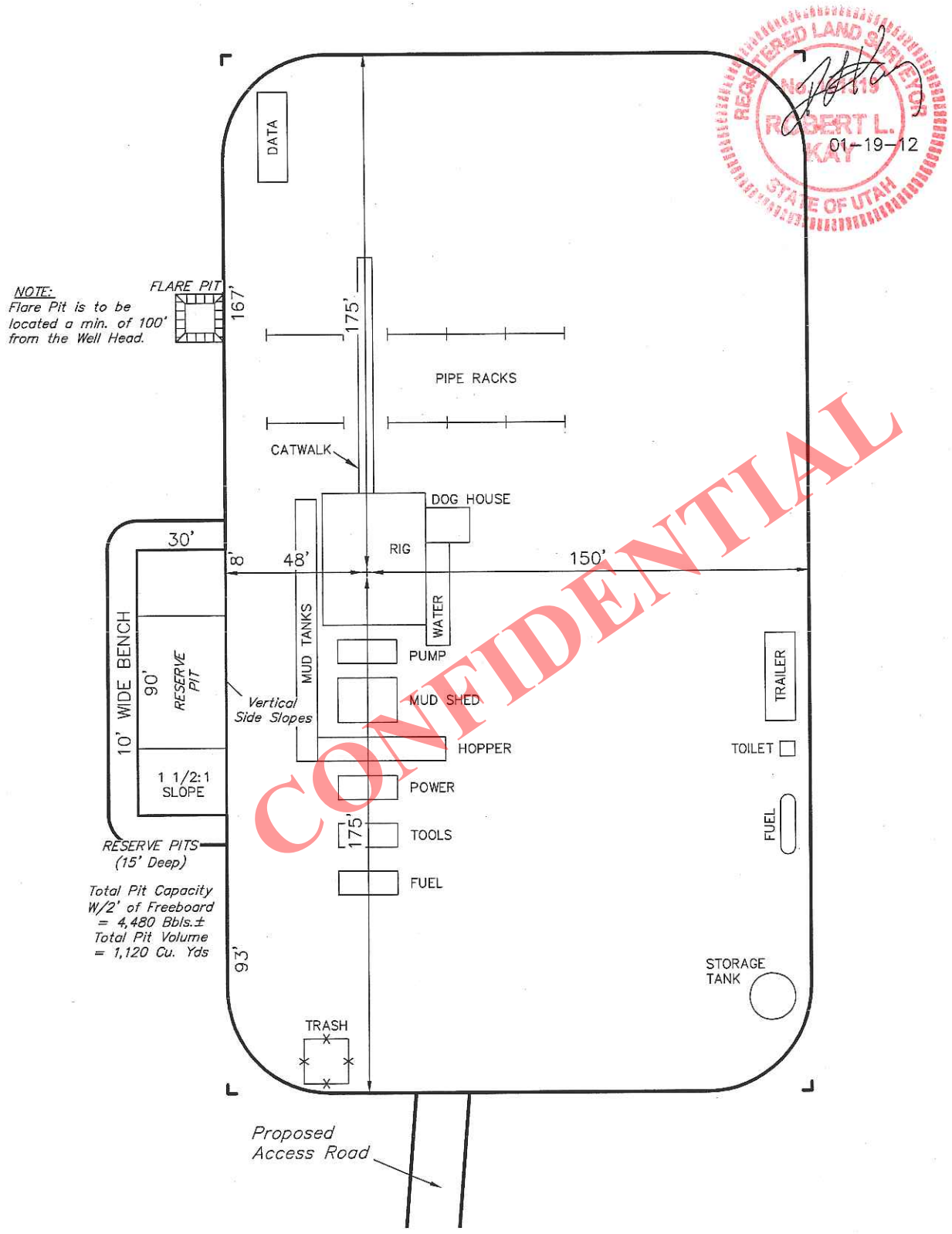
API Well Number: 43047526730000

QEP ENERGY COMPANY

TYPICAL RIG LAYOUT FOR

DS #16G8-10-18
SECTION 8, T10S, R18E, S.L.B.&M.
551' FSL 671' FEL

FIGURE #3
SCALE: 1" = 50'
DATE: 12-13-11
DRAWN BY: S.F.



UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

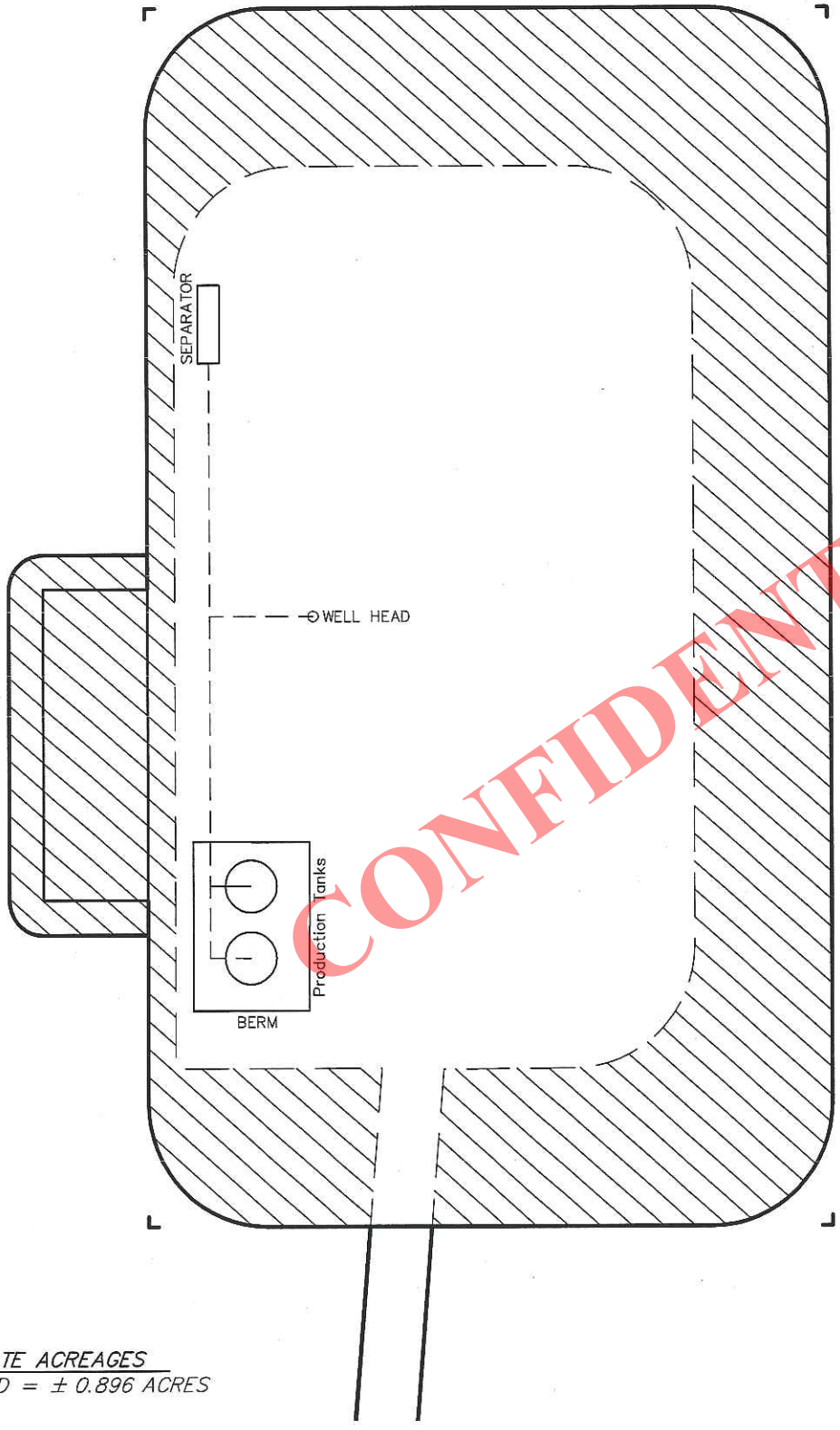
API Well Number: 43047526730000

QEP ENERGY COMPANY

PRODUCTION FACILITY LAYOUT FOR

DS #16G8-10-18
SECTION 8, T10S, R18E, S.L.B.&M.
551' FSL 671' FEL

FIGURE #4
SCALE: 1" = 50'
DATE: 12-13-11
DRAWN BY: S.F.



APPROXIMATE ACREAGES
UN-RECLAIMED = ± 0.896 ACRES

RECLAIMED AREA

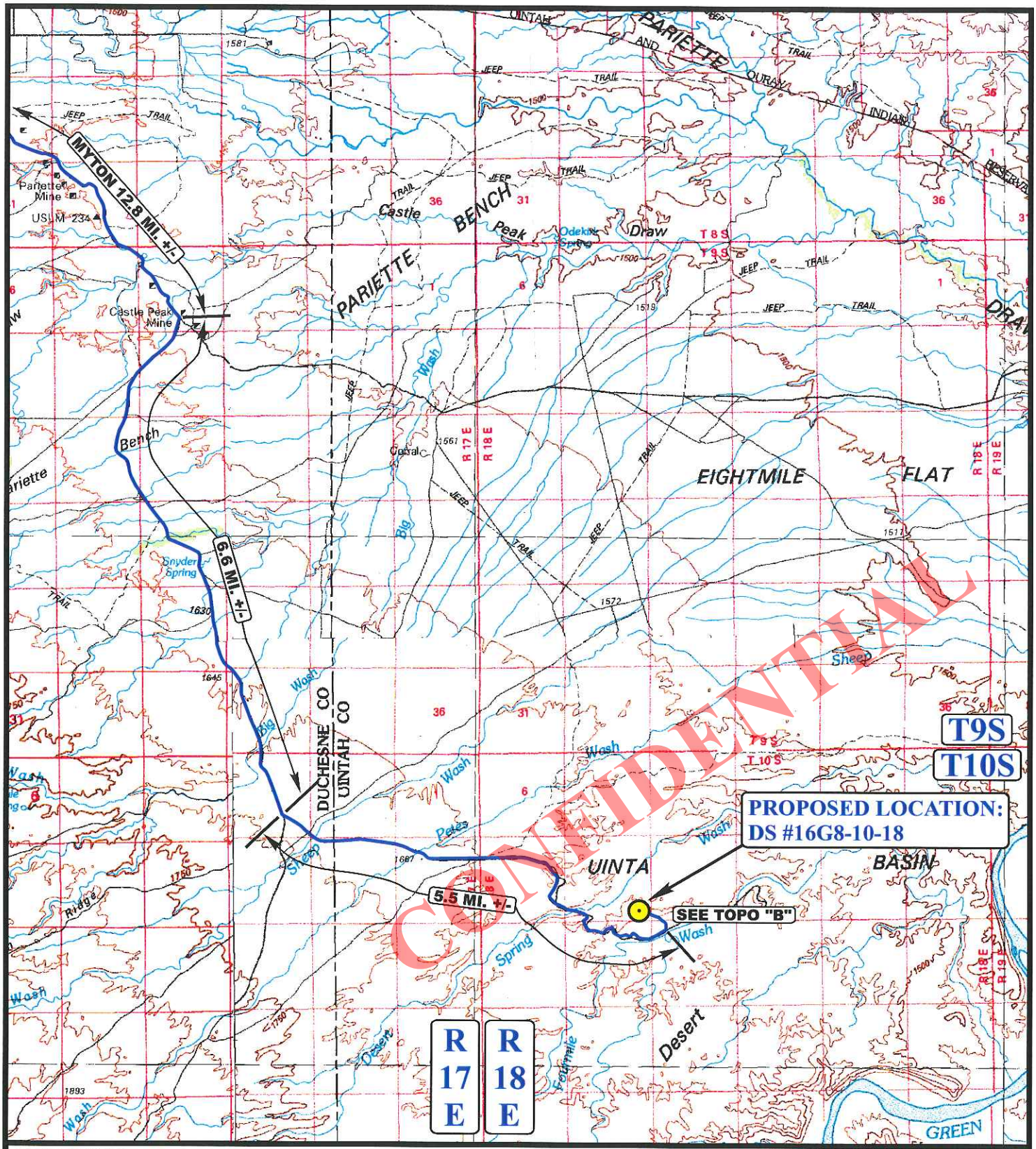
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

QEP ENERGY COMPANY
DS #16G8-10-18
SECTION 8, T10S, R18E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM MYTON, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 1.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 11.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 5.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY THEN NORTHWESTERLY DIRECTION APPROXIMATELY 2,155' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM MYTON, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 25.3 MILES.

API Well Number: 43047526730000



LEGEND:

PROPOSED LOCATION

N

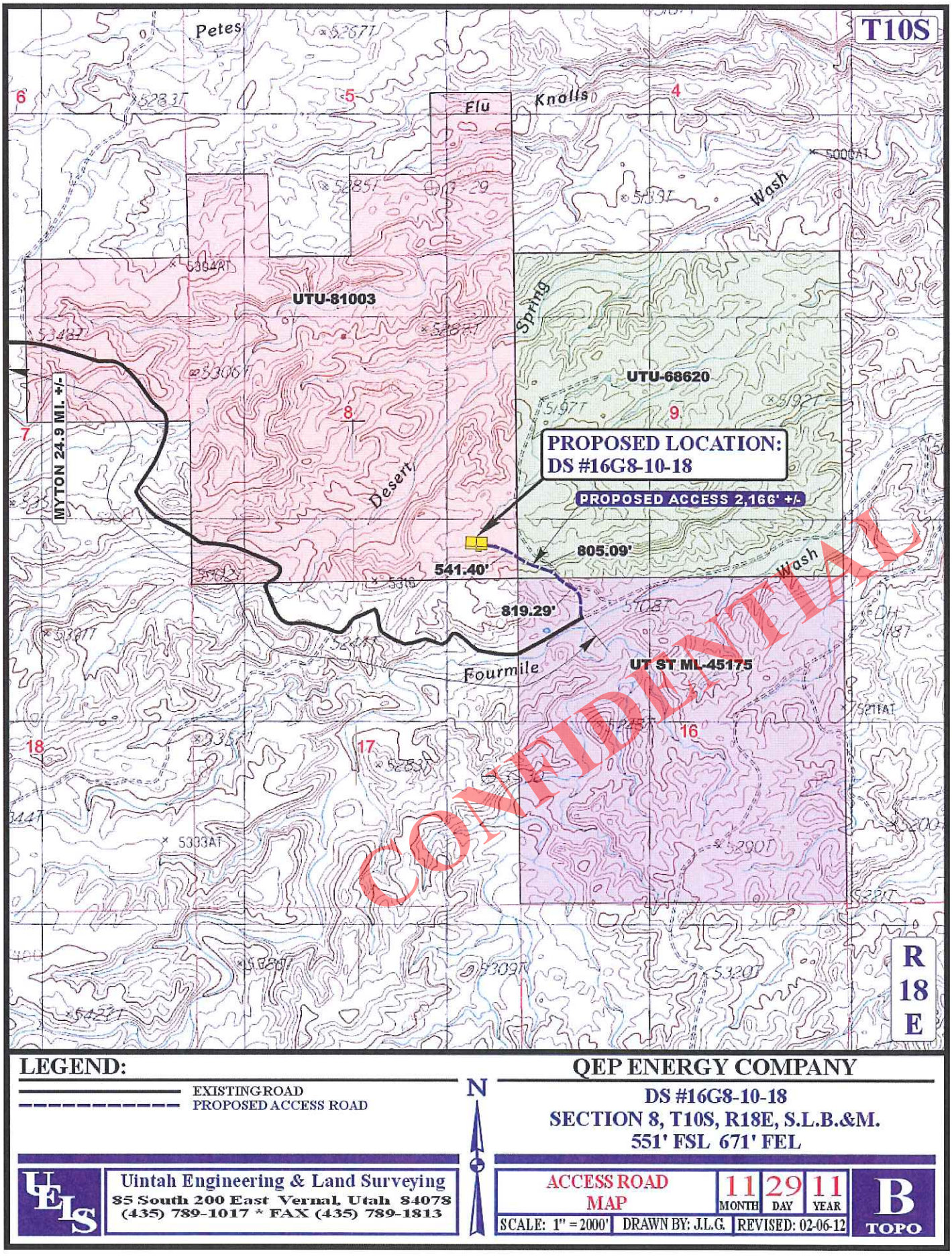
QEP ENERGY COMPANY

DS #16G8-10-18
SECTION 8, T10S, R18E, S.L.B.&M.
551' FSL 671' FEL

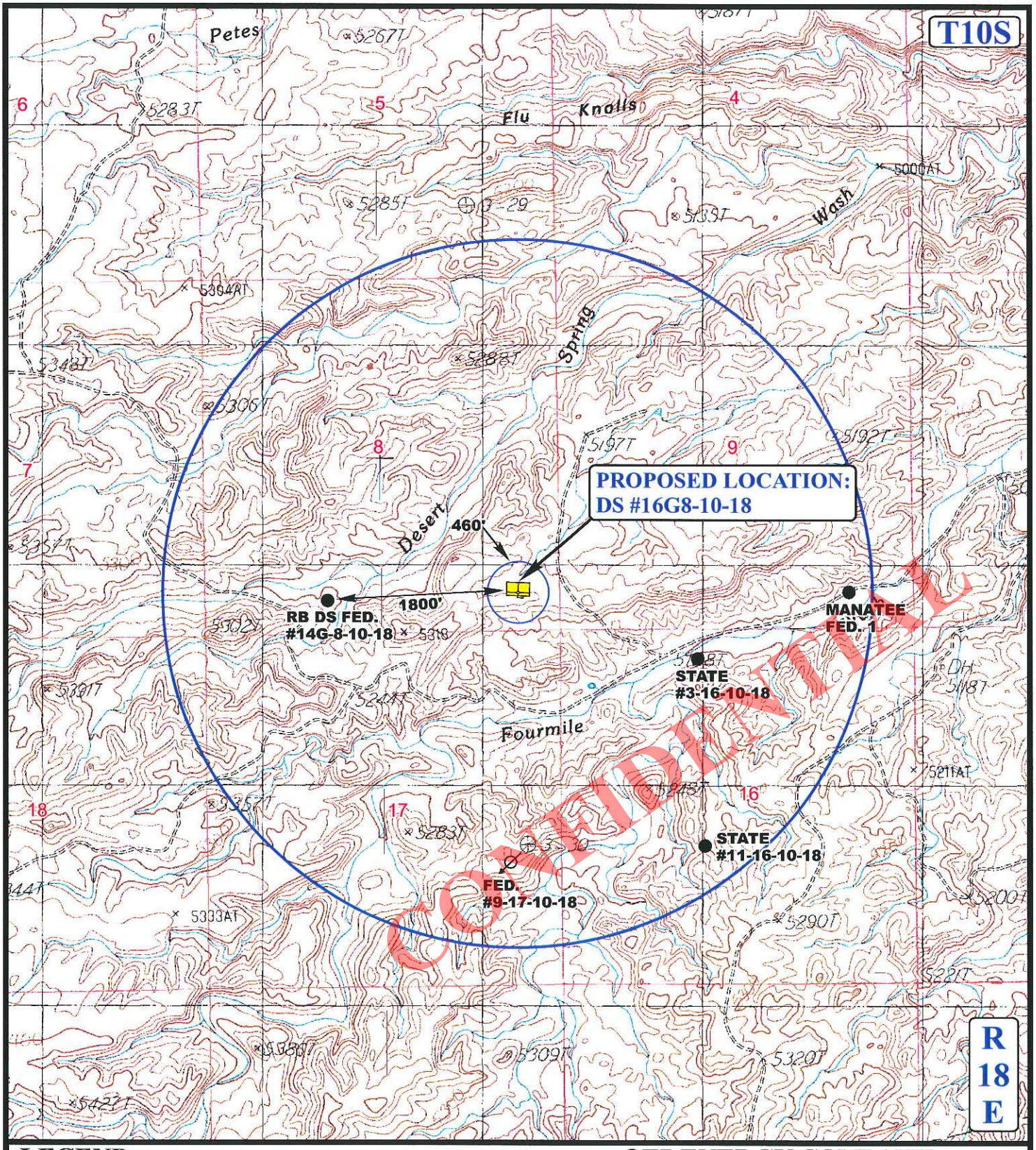
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

ACCESS ROAD MAP	11 MONTH	29 DAY	11 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: J.L.G.	REVISED: 00-00-00		

API Well Number: 43047526730000



API Well Number: 43047526730000



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

QEP ENERGY COMPANY

DS #16G8-10-18
SECTION 8, T10S, R18E, S.L.B.&M.
551' FSL 671' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	11 MONTH	29 DAY	11 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: J.L.G.	REVISED: 00-00-00		

API Well Number: 43047526730000

QEP ENERGY COMPANY

REFERENCE MAP: AREA OF VEGETATION

DS #16G8-10-18

LOCATED IN UINTAH COUNTY, UTAH
SECTION 8, T10S, R18E, S.L.B.&M.

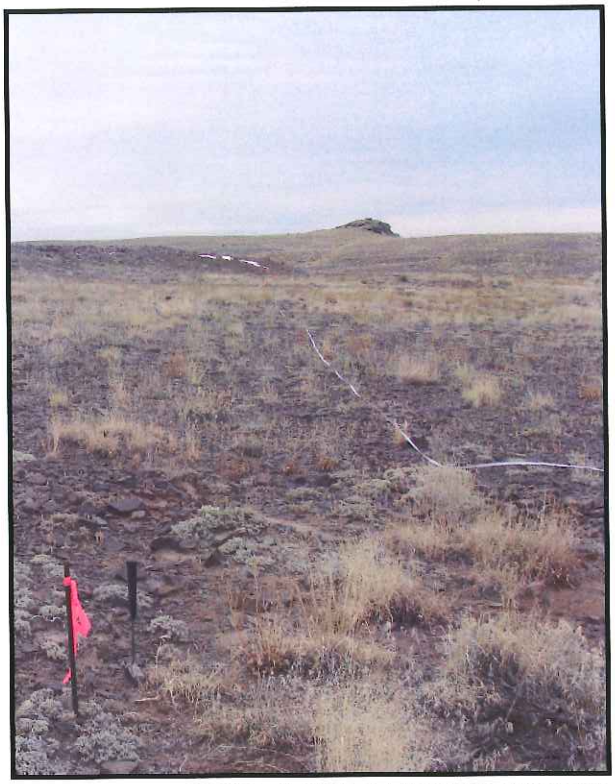
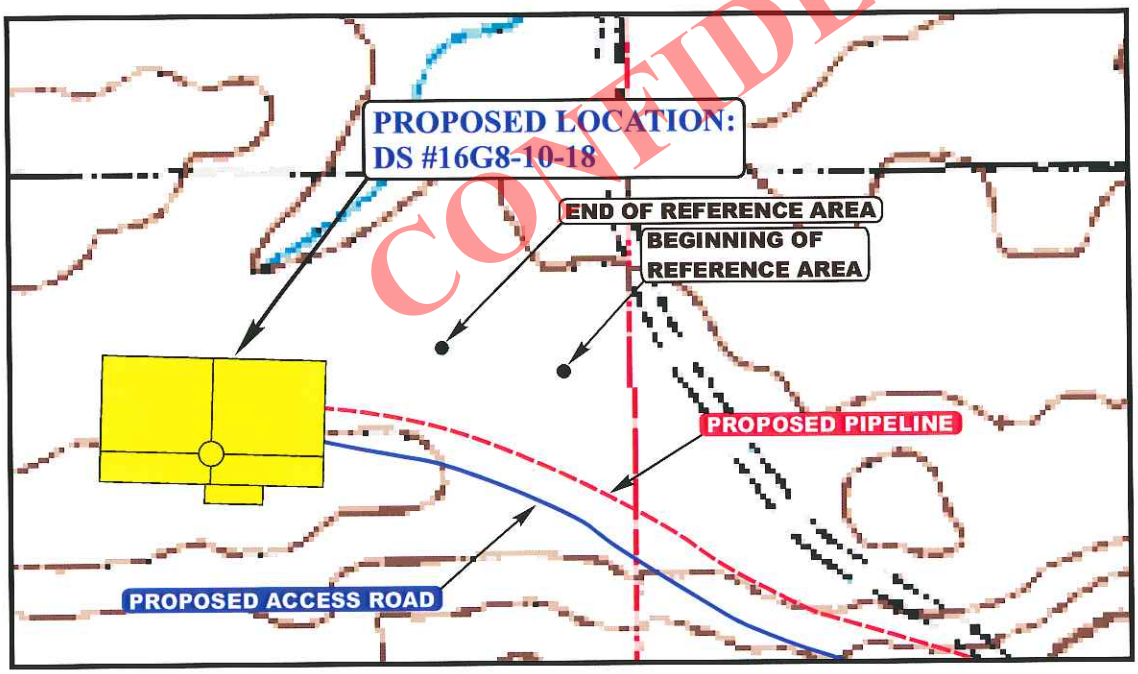


PHOTO: VIEW FROM BEGINNING OF REFERENCE AREA

NOTE:

BEGINNING OF REFERENCE AREA
NAD 83 Z12 UTM NORTHING: 14511477.851
NAD 83 Z12 UTM EASTING: 1946373.309
(NAD 83) LATITUDE: 39.953000
(NAD 83) LONGITUDE: -109.907556

END OF REFERENCE AREA
NAD 83 Z12 UTM NORTHING: 14511516.025
NAD 83 Z12 UTM EASTING: 1946185.972
(NAD 83) LATITUDE: 39.953111
(NAD 83) LONGITUDE: -109.908222



- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

SCALE: 1" = 300'	02 MONTH	23 DAY	12 YEAR	REF.
TAKEN BY: G.S.	DRAWN BY: J.L.G.	REVISED: 00-00-00		

QEP Energy Company

QEP ENERGY (UT)

Desert Springs
DS 16G8-10-18
DS 16G8-10-18

Lateral #1

Plan: Plan ver.0

Standard Planning Report

09 February, 2012

QEP Energy Company

API Well Number: 43047526730000

QEP Energy Company

QEP Resources, Inc.
Planning Report

QEP Energy Company

Database:	EDMDB_QEP	**Local Co-ordinate Reference:**	Well DS 16G8-10-18
Company:	QEP ENERGY (UT)	**TVD Reference:**	RKB @ 5265.10usft (EST. RKB)
Project:	Desert Springs	**MD Reference:**	RKB @ 5265.10usft (EST. RKB)
Site:	DS 16G8-10-18	**North Reference:**	True
Well:	DS 16G8-10-18	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Plan ver.0		

Project Desert Springs, Uinta, UT

Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Central Zone		Using geodetic scale factor

Site DS 16G8-10-18

Site Position:		**Northing:**	7,155,456.826 usft	**Latitude:**	39.952706
From:	Lat/Long	**Easting:**	2,086,032.081 usft	**Longitude:**	-109.910297
Position Uncertainty:	0.00 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	1.02 °

Well DS 16G8-10-18

Well Position	**+N/-S**	-0.01 usft	**Northing:**	7,155,456.813 usft	**Latitude:**	39.952706
	+E/-W	0.00 usft	**Easting:**	2,086,032.081 usft	**Longitude:**	-109.910297
Position Uncertainty		0.00 usft	**Wellhead Elevation:**	5,251.10 usft	**Ground Level:**	5,251.10 usft

Wellbore Lateral #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	2/9/2012	11.15	65.73	52,179

Design Plan ver.0

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.00

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	357.93

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,453.80	0.00	0.00	4,453.80	0.00	0.00	0.00	0.00	0.00	0.00	
5,185.80	87.84	357.93	4,930.93	459.17	-16.61	12.00	12.00	0.00	357.93	
7,614.88	87.84	357.93	5,022.48	2,884.94	-104.34	0.00	0.00	0.00	0.00	DS 16G8-10-18 Lat.1

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,453.80	0.00	0.00	4,453.80	0.00	0.00	0.00	0.00	0.00	0.00
5,185.80	87.84	357.93	4,930.93	459.17	-16.61	459.47	12.00	12.00	0.00
7,614.88	87.84	357.93	5,022.48	2,884.94	-104.34	2,886.82	0.00	0.00	0.00

QEP Energy Company

QEP Resources, Inc.
Planning Report

QEP Energy Company

Database:	EDMDB_QEP	**Local Co-ordinate Reference:**	Well DS 16G8-10-18
Company:	QEP ENERGY (UT)	**TVD Reference:**	RKB @ 5265.10usft (EST. RKB)
Project:	Desert Springs	**MD Reference:**	RKB @ 5265.10usft (EST. RKB)
Site:	DS 16G8-10-18	**North Reference:**	True
Well:	DS 16G8-10-18	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Plan ver.0		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
DS 16G8-10-18 Lat.1 - plan hits target center - Point	0.00	0.00	5,022.48	2,884.94	-104.34	7,158,339.153	2,085,876.498	39.960625	-109.910670

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")
437.10	437.10	9 5/8"	9-5/8	12-1/4
4,373.80	4,373.80	7"	7	8-3/4

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,087.10	1,087.10	Green River fm		0.00	
2,672.10	2,672.10	Garden Gulch mbr		0.00	
4,762.88	4,741.74	Uteland Butte Member		2.16	357.93
5,147.98	4,928.01	C Lime top		2.16	357.93

QEP Energy Company

Company Name: QEP ENERGY (UT)

Azimuths to True North
Magnetic North: 11.15°
Magnetic Field
Strength: 52178.9nT
Dip Angle: 65.73°
Date: 2/9/2012
Model: IGRF2010

Project: Desert Springs
Site: DS 16G8-10-18
Well: DS 16G8-10-18
Wellbore: Lateral #1
Design: Plan ver.0

WELL DETAILS: DS 16G8-10-18 Lateral #1

Ground Level: 5251.10

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	7155456.813	2086032.081	39.952706	-109.910297	

REFERENCE INFORMATION

Co-ordinate (N/E) Reference: Well DS 16G8-10-18, True North
Vertical (TVD) Reference: RKB @ 5265.10usft (EST. RKB)
Section (VS) Reference: Slot - (0.00N, 0.00E)
Measured Depth Reference: RKB @ 5265.10usft (EST. RKB)
Calculation Method: Minimum Curvature

PROJECT DETAILS: Desert Springs

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: Utah Central Zone

System Datum: Mean Sea Level

SECTION DETAILS

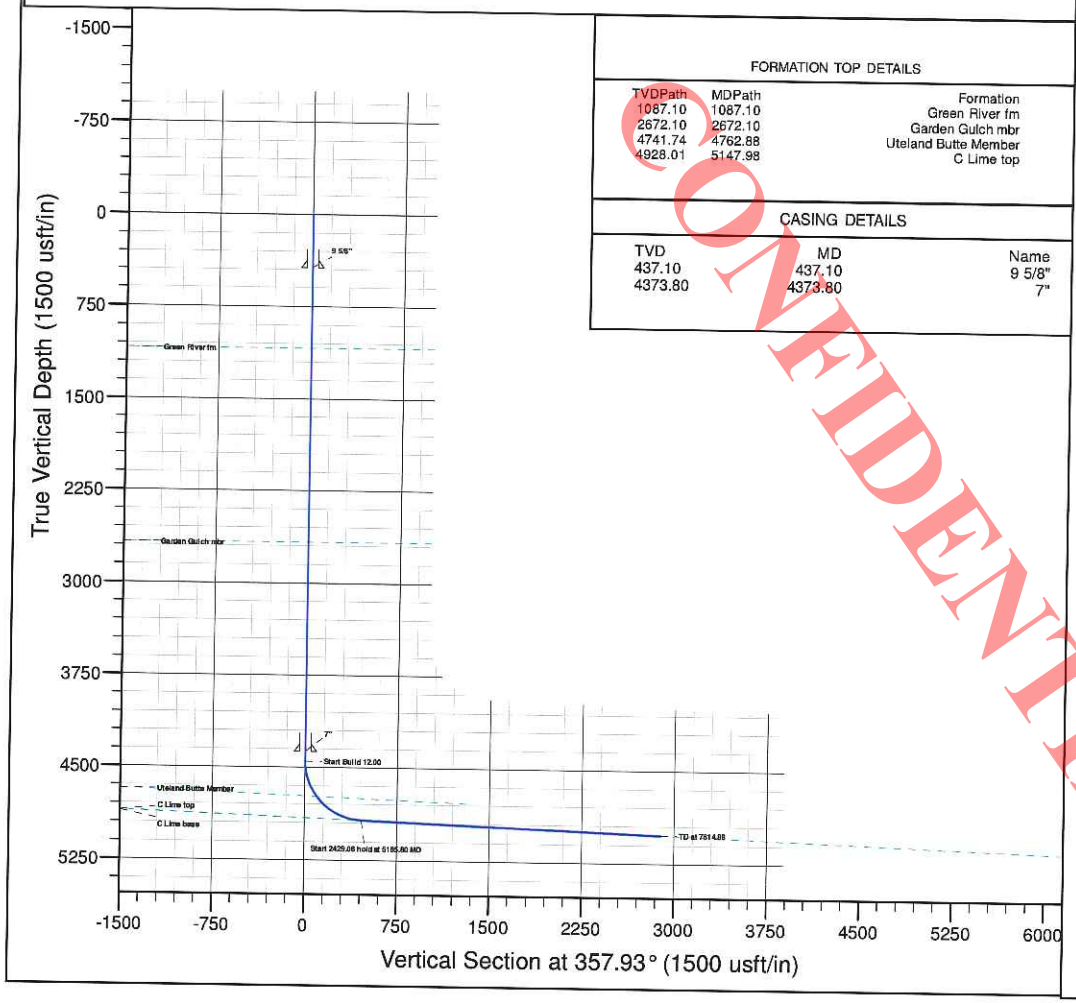
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4453.80	0.00	0.00	4453.80	0.00	0.00	0.00	0.00
5185.80	87.84	357.93	4930.93	459.17	-16.61	12.00	459.47
7614.88	87.84	357.93	5022.48	2884.94	-104.34	0.00	2886.82

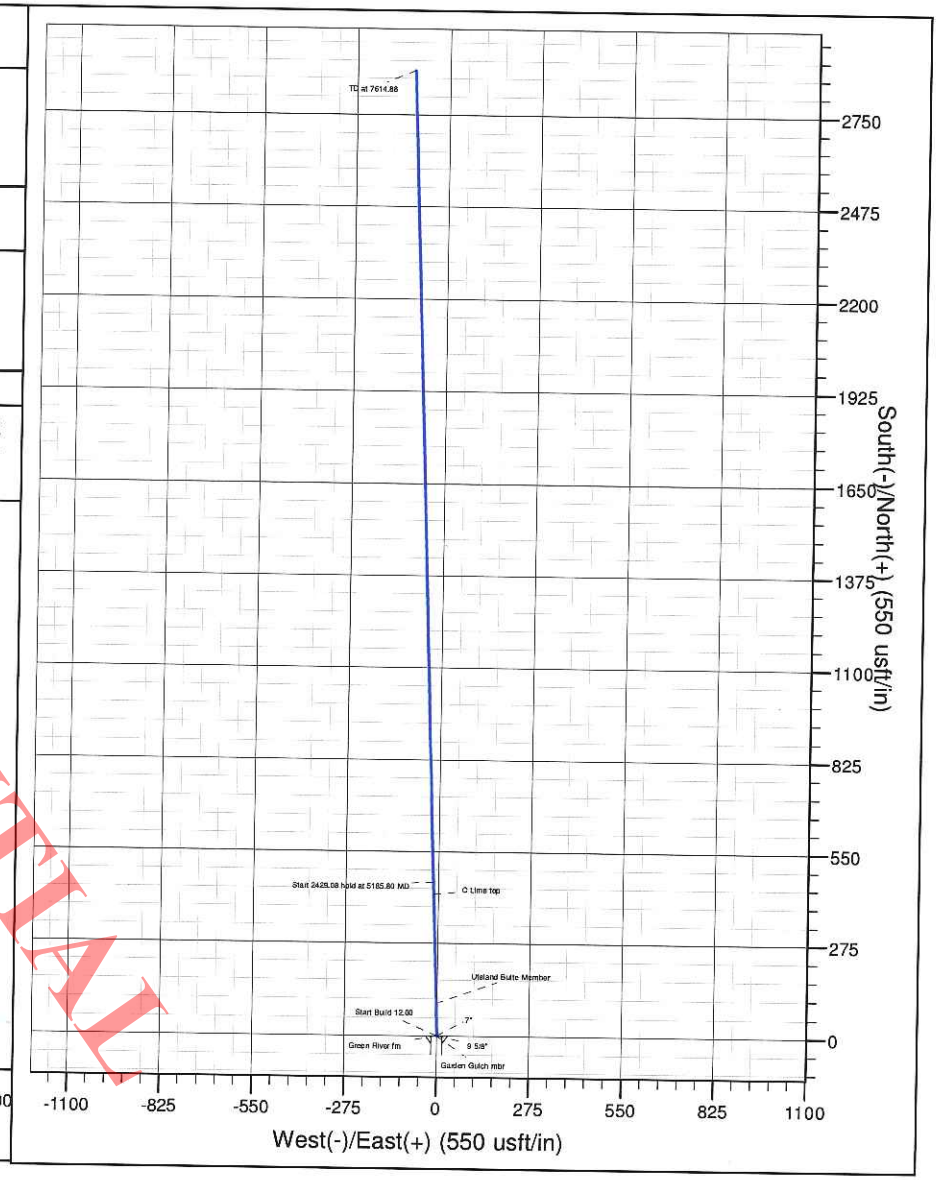
FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1087.10	1087.10	Green River fm
2672.10	2672.10	Garden Gulch mbr
4741.74	4762.88	Uteland Butte Member
4928.01	5147.98	C Lime top

CASING DETAILS

TVD	MD	Name
437.10	437.10	9 5/8"
4373.80	4373.80	7"





QEP Energy Company

QEP ENERGY (UT)

Desert Springs
DS 16G8-10-18
DS 16G8-10-18

Lateral #2

Plan: Plan ver.0

Standard Planning Report

09 February, 2012

QEP Energy Company

API Well Number: 43047526730000

QEP Energy Company

QEP Resources, Inc.
Planning Report

QEP Energy Company

Database:	EDMDB_QEP	**Local Co-ordinate Reference:**	Well DS 16G8-10-18
Company:	QEP ENERGY (UT)	**TVD Reference:**	RKB @ 5265.10usft (EST. RKB)
Project:	Desert Springs	**MD Reference:**	RKB @ 5265.10usft (EST. RKB)
Site:	DS 16G8-10-18	**North Reference:**	True
Well:	DS 16G8-10-18	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Lateral #2		
Design:	Plan ver.0		

Project	Desert Springs, Uinta, UT		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Central Zone		Using geodetic scale factor

Site	DS 16G8-10-18				
Site Position:		**Northing:**	7,155,456.826 usft	**Latitude:**	39.952706
From:	Lat/Long	**Easting:**	2,086,032.081 usft	**Longitude:**	-109.910297
Position Uncertainty:	0.00 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	1.02 °

Well	DS 16G8-10-18					
Well Position	**+N/-S**	-0.01 usft	**Northing:**	7,155,456.813 usft	**Latitude:**	39.952706
	+E/-W	0.00 usft	**Easting:**	2,086,032.081 usft	**Longitude:**	-109.910297
Position Uncertainty		0.00 usft	**Wellhead Elevation:**	5,251.10 usft	**Ground Level:**	5,251.10 usft

Wellbore Lateral #2

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	2/9/2012	11.15	65.73	52,179

Design Plan ver.0

Audit Notes:

Version:	**Phase:**	PLAN	**Tie On Depth:**	4,323.80

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	221.08

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
4,323.80	0.00	0.00	4,323.80	0.00	0.00	0.00	0.00	0.00	0.00	
5,240.51	91.64	221.08	4,896.72	-444.43	-387.38	10.00	10.00	0.00	221.08	
8,007.78	91.64	221.08	4,817.52	-2,529.63	-2,204.91	0.00	0.00	0.00	0.00	DS 16G8-10-18 Lat.2

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,323.80	0.00	0.00	4,323.80	0.00	0.00	0.00	0.00	0.00	0.00
5,240.51	91.64	221.08	4,896.72	-444.43	-387.38	589.56	10.00	10.00	0.00
8,007.78	91.64	221.08	4,817.52	-2,529.63	-2,204.91	3,355.69	0.00	0.00	0.00

QEP Energy Company

QEP Resources, Inc.
Planning Report

QEP Energy Company

Database:	EDMDB_QEP	**Local Co-ordinate Reference:**	Well DS 16G8-10-18
Company:	QEP ENERGY (UT)	**TVD Reference:**	RKB @ 5265.10usft (EST. RKB)
Project:	Desert Springs	**MD Reference:**	RKB @ 5265.10usft (EST. RKB)
Site:	DS 16G8-10-18	**North Reference:**	True
Well:	DS 16G8-10-18	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Lateral #2		
Design:	Plan ver.0		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
DS 16G8-10-18 Lat.2 - plan hits target center - Point	0.00	0.00	4,817.52	-2,529.63	-2,204.91	7,152,888.648	2,083,872.688	39.945761	-109.918161

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,087.10	1,087.10	Green River fm		0.00	
2,672.10	2,672.10	Garden Gulch mbr		0.00	
4,779.77	4,733.18	Uteland Butte Member		1.64	41.08
5,199.08	4,896.41	C Lime top		1.64	41.08

QEP Energy Company

Company Name: QEP ENERGY (UT)

Azimuths to True North
Magnetic North: 11.15°
Magnetic Field
Strength: 52176.9snT
Dip Angle: 65.79°
Date: 2/9/2012
Model: IGRF2010

Project: Desert Springs
Site: DS 16G8-10-18
Well: DS 16G8-10-18
Wellbore: Lateral #2
Design: Plan ver.0

WELL DETAILS: DS 16G8-10-18
Lateral #2

Ground Level:
5251.10

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	7155456.813	2086032.081	39.952706	-109.910297	

REFERENCE INFORMATION

Co-ordinate (N/E) Reference: Well DS 16G8-10-18, True North
Vertical (TVD) Reference: RKB @ 5265.10usft (EST. RKB)
Section (VS) Reference: Slot - (0.00N, 0.00E)
Measured Depth Reference: RKB @ 5265.10usft (EST. RKB)
Calculation Method: Minimum Curvature

PROJECT DETAILS: Desert Springs

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: Utah Central Zone

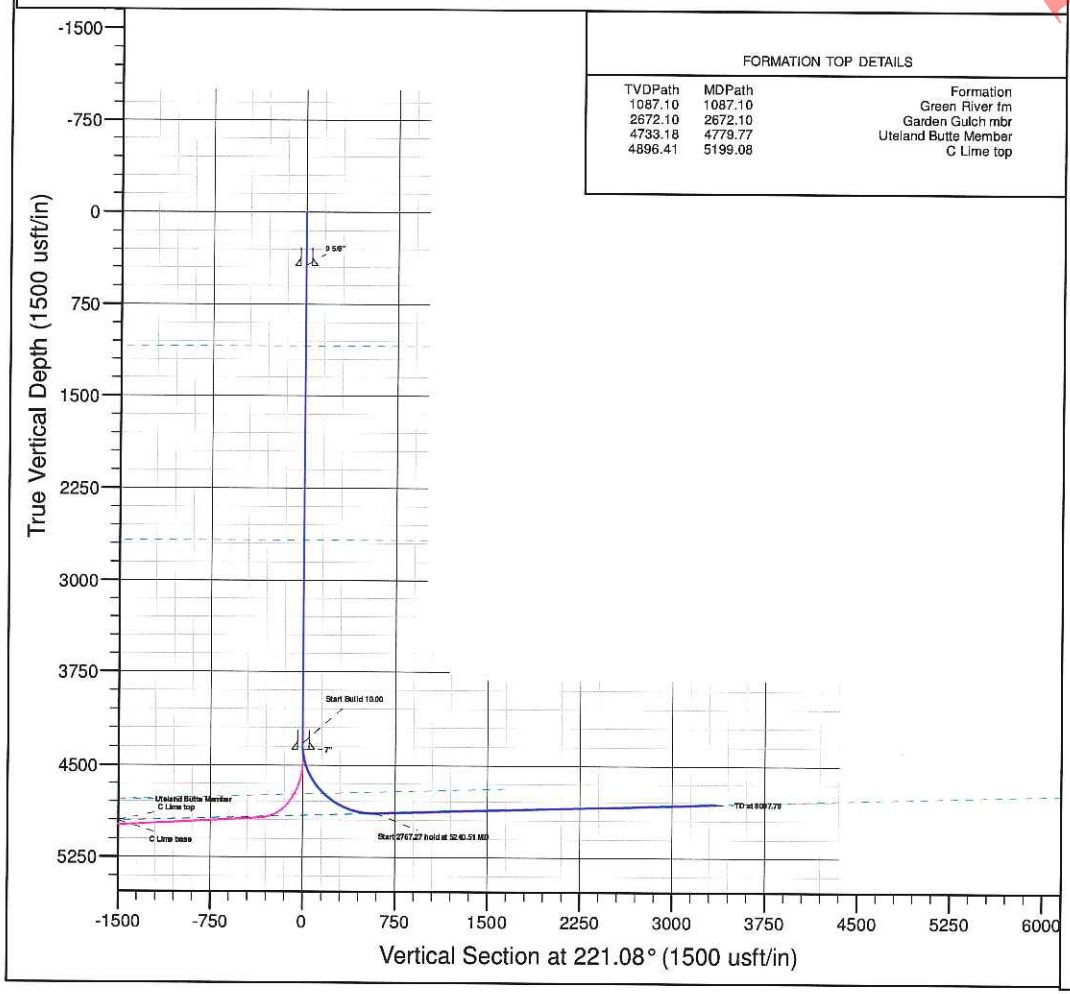
System Datum: Mean Sea Level

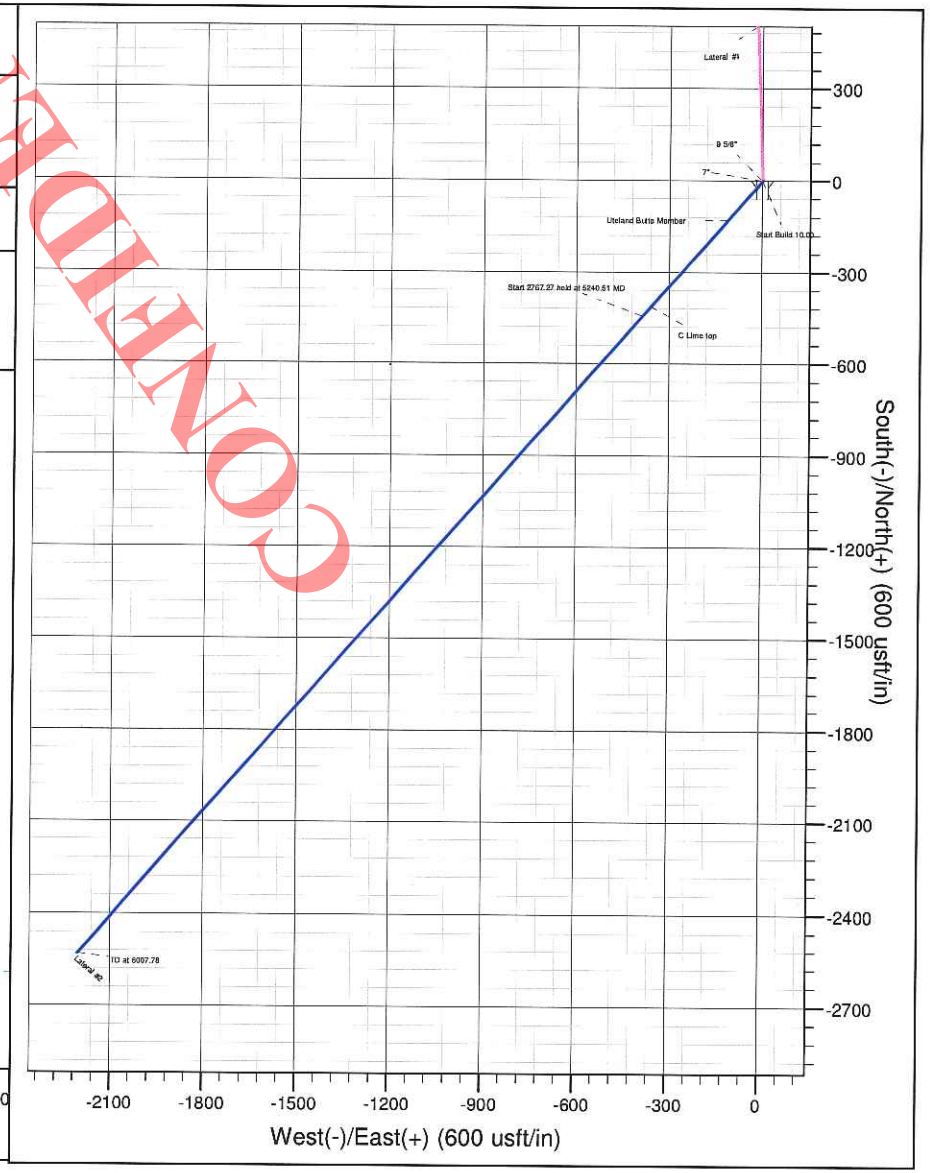
SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect
4323.80	0.00	0.00	4323.80	0.00	0.00	0.00	0.00
5240.51	91.64	221.08	4896.72	-444.43	-387.38	10.00	589.56
8007.78	91.64	221.08	4817.52	-2529.63	-2204.91	0.00	3355.69

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1087.10	1087.10	Green River fm
2672.10	2672.10	Garden Gulch mbr
4733.18	4779.77	Uteland Butte Member
4896.41	5199.08	C Lime top





Additional Operator Remarks

QEP Energy Company proposes to drill the DS 16G8-10-18 and drill a dual lateral horizontal oil well to test the Uteland Butte Member of the Green River Formation. If productive, casing will be run and the well completed. If dry, the well be plugged and abandoned as per BLM and State of Utah requirements.

See Onshore Oil & Gas Order No. 1

Please be advised that QEP Energy Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is QEP Energy Company via surety as consent as provided for the 43 CFR 3104.2.

Information for Dual Laterals

Surface Location
551' FSL, 671' FEL, SESE, Section 8, T10S, R18E, Lease Number UTU-81003

Lateral 1
1850' FNL, 760' FEL, SENE, Section 8, T10S, R18E, Lease Number UTU-81003
2884.94 Lateral Leg Length @ 357.93 Azimuth (See Attached Drilling Plans)
TD: 7,614' MD

Lateral 2
1980' FNL, 2400' FWL, SENW, Section 17, T10S, R18E, Lease Number UTU-84262
2529.63 Lateral Leg Length @ 221.08 Azimuth (See Attached Drilling Plans)
TD: 8,007' MD

QEP ENERGY COMPANY
DS 16G-8-10-18
SESE, SECTION 8, T10S, R18E
UINTAH COUNTY, UT
LEASE # UTU-81003

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the DS 16G-8-10-18 on February 8, 2012. Weather conditions were chilly at the time of the onsite. In attendance at the inspection were the following individuals:

Aaron Roe	Bureau of Land Management
Kevin Sadlier	Bureau of Land Management
Dixie Sadlier	Bureau of Land Management
Jan Nelson	QEP Energy Company
Stephanie Tomkinson	QEP Energy Company
Ryan Angus	QEP Energy Company
Valyn Davis	QEP Energy Company
Gary Streeter	Uintah Engineering & Land Surveying

1. **Existing Roads**:

See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.

The proposed well site is located approximately 25 miles southeast of Myton, Utah.

-See attached TOPO Map "A".

Existing roads will be upgraded, maintained and repaired as necessary.

A State right-of-way will be required for the part of the access road that travels off lease. Approximately 819' in length, 30' in width, containing approximately .564 acres, of new access road as proposed will be located on state lease UT ST ML-45175. QEP Energy Company will apply for the proper easements.

2. **Planned Access Roads**:

The remaining portion of the access road located in sections 8 & 9, T10S, R18E, will be on BLM administered lands. This portion of the proposed access road will be 1,347' in length, 30' in width, containing approximately .927 acres.

New access roads on BLM surface will be crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width

of 30 feet. Any additional disturbance required due to intersections or sharp curves will be discussed at the on-site and approved by the BLM and the State.

Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Surface disturbance and vehicular traffic will be limited to the approved location and access route or, as proposed by the Operator.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards.

If culverts are needed, the location and size of the culverts will be proposed during the on-site. The operator will clean and maintain approved culverts as needed.

All drainage ditches and culverts will be kept clear and free-flowing and will be maintained according to original construction standards.

The access road disturbed area will be kept free of trash during operations. All traffic will be confined to the approved road running surface. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause excess siltation or accumulation of debris in the drainage nor shall the drainage be blocked by the roadbed.

Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, the holes shall be filled in and detours around the holes avoided.

When snow is removed from the road during the winter months, the snow should be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

Refer to Topo Map B for the location of the proposed access

3. Location of Existing Wells Within a 1-Mile Radius:

A map will be provided with the site-specific APD showing the location of existing wells within a one mile radius.

Please refer to Topo map C.

4. Location of Existing and Proposed Facilities:

The following guidelines will apply if the well is productive.

A containment dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks).

These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The specific APD will address additional capacity if such is needed due to environmental concerns. The use of topsoil for the construction of dikes will not be allowed.

All loading lines will be placed inside the berm surrounding the tank batteries.

All permanent (on site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a color approved by the BLM.

It was determined on the onsite by the BLM VFO/AO that the facilities will be painted Covert Green.

5. Location and Type of Water Supply:

Fresh water will be obtained from Wonsits Valley water right # 49-251 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. Fresh water may also be obtained from Neil Moon Pond water right #43-11787, or Myton City Water, Myton, Utah

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 6 months after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood

hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids. It was determined at the on-site inspection that a pit liner is necessary; the reserve pit will be lined with a synthetic reinforced liner, a minimum of 20 millimeters thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap will be disposed of in the pit.

Reserve pit leaks are considered an undesirable event and will be orally reported to the AO.

Disposal of Produced Water:

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order # 7, all produced water will be contained in tanks on location.

After the 90 day period, the produced water will be contained in tanks on location and then hauled by truck to the following pre-approved disposal site:

West End Disposal located in the NESE, Section 28, T7S, R22E,
NBE 12 SWD-10-9-23 located in the NWSW, Section 10, 9S, 23E,
Lapoint Recycle & Storage located in Sec. 12, T5S, R19E, Uintah County, UT or
Western Water Solutions- Sand Pass, located in Sec. 9 &10, T4S, R1W.

Produced water, oil, and other byproducts will not be applied to roads or well pads for control of dust or weeds. The dumping of produced fluids on roads, well sites, or other areas will not be allowed.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site. The spills will be reported to the AO and other authorities as appropriate.

A chemical porta-toilet will be furnished with the drilling rig. The chemical porta-toilet wastes will be hauled to Ashley Valley Sewer and Water System for disposal.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location. All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig. All trash and waste material will be hauled to the Uintah County Landfill.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of wells. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of wells within these areas. Specific APD's shall address any modifications from this policy.

8. Ancillary Facilities:

This will be an independent well location. Product will be contained in two 500 bbl tanks and then transported from location to delivery site.

A suitable muffler will be installed on pumping unit to help reduce noise control.

9. Well Site Layout:

A Location Layout Diagram describing drill pad cross-sections, cuts and fills, and locations of mud tanks, reserve pits, flare pit or flare box, pipe racks, trailer parking, spoil dirt stockpile(s), and the surface material stockpile(s) will be included with the site specific APD.

Please see the attached diagram rig orientation, parking areas, and access roads, as well as the location of the following:

The reserve pit.

The stockpiled topsoil will not be used for facility berms. All brush removed from the well pad during construction will be stockpiled with the topsoil.

The flare pit or flare box will be located downwind from the prevailing wind direction.

Any drainage that crosses the well location will be diverted around the location by using ditches, water diversion drains or berms. If deemed necessary at the on-site, erosion drains may be installed to contain sediments that could be produced from access roads and well locations.

10. Fencing Requirements:

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched using a stretching device before it is attached to corner posts.

The reserve pit will be fenced on three (3) sides during drilling operations. The fourth side will be put in place when the rig moves off location. The pit will be fenced and maintained until it is backfilled. If drilling operations does not commence within 3 days, the fourth side of the fence will be installed.

11. Reclamation Plan:

Reclamation will follow QEP Energy Company, Uinta Basin Division's Reclamation Plan, September 2009 (QEP Energy Plan) and the BLM Green River District Reclamation Guidelines.

All trash and debris will be removed from the disturbed area.

The disturbed area will be backfilled with subsoil.

Topsoil will be spread to an even, appropriate depth and disced if needed.

Water courses and drainages will be restored.
Erosion control devices will be installed where needed.

Seeding will be done in the fall, prior to ground freeze up.
Seed mix will be submitted to a BLM AO for approval prior to seeding.

Monitoring and reporting will be conducted as stated in QEP Energy Company's Reclamation Plan. Weed control will be conducted as stated in QEP Energy Company's Reclamation Plan.

A reference site and weed data sheet have been established and are included in this application. Please see attached Weed Data Sheet.

Dry Hole/Abandoned Location:

On lands administered by the BLM abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions may include the reestablishment of irrigation systems; reestablishment of appropriate soil conditions; and, the reestablishment of vegetation as specified.

All disturbed surfaces will be recontoured to approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment.

At final abandonment, the Operator will cap the casing with a metal plate a minimum of 0.25 inch thick. The cap will be welded in place and the well location and identity will be permanently inscribed on the cap. The cap will be constructed with a weep hole. The depth of the permanent cap will be determined at the time of final abandonment. Long-term reclamation will then be applied and will follow the reclamation process described in this plan. When reclamation is deemed successful by the Operator and the BLM, the Operator will request a bond release.

12. **Surface Ownership**:

The well pad and access road are located on lands owned by:
Bureau of Land Management
170 South 500 East
Vernal, UT 84078

13. **Other Information**:

Drilling rigs and/or equipment used during drilling operations will not be stacked or stored on Federal lands or State administered lands after the conclusion of drilling operations or at any other time without authorization by the BLM Authorized Officer. If BLM authorization is obtained, such storage is only a temporary measure.

A Class III archeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted on January 31, 2012, **State of Utah Antiquities Report U-11-MQ-1146b,s** by Montgomery Archaeology Consultants. Cultural resource clearance has been recommended for this project.

A paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted on February 1, 2012, **Report No. IPC 11-214** by Stephen D. Sandau. Due to the number of fossils found during this survey it is recommended that a permitted paleontologist be present to monitor the

construction process of the well pad and access road. QEP Energy Company will provide paleo monitor for this project.

A habitat assessment and inventory was conducted on November 15-17, 2011 by Western Biota, Inc. Eight Uintah Basin Hookless Cactus (Sclerocactus wetlandicus) individuals (3 live and 5 dead) were located during the surveys within the proposed buffer for the DS 16G-8-10-18. This proposed action will have some impacts towards individuals or populations of *Sclerocactus wetlandicus*.

Per the onsite meeting on February 8 2012, the following items were requested/discussed.

There is 4" topsoil.

Applicant Committed Measures

Due to the proximity of the Uintah Basin Hookless Cactus (Sclerocactus wetlandicus) to the DS 16G-8-10-18 the attached applicant committed measures will be observed.

QEP Energy Company

DS 16G-8-10-18

Applicant Committed Measures for *Sclerocactus wetlandicus*

The following applicant-committed conservation measures will help minimize the impact of the proposed action to *Sclerocactus wetlandicus* occupied habitat.

- A pre-project habitat assessment was conducted.
- Site inventories were conducted within suitable habitat.
- A final report of the site inventory is included with this application.
- No surface disturbing activities will occur from April 15 through May 15; the flowering period of the *Sclerocactus wetlandicus*.
- Surface disturbance was minimized as much as possible.
- Silt fencing will be used to protect cacti within 300 feet of surface disturbance. The silt fencing will be removed after construction.
- A qualified botanist will be on site to monitor surface disturbing activities when cacti are within 300 feet of any surface disturbance.
- Dust abatement (consisting of water only) will occur during construction when cacti are within 300 feet from surface disturbing activities.
- Areas of avoidance will be flagged prior to and during construction.
- Cacti within 300 feet of a proposed surface disturbance will be flagged immediately prior to surface disturbing activities and flags will be removed immediately after surface disturbing activities are completed. Leaving cacti flagged for as short a time as possible will minimize drawing attention to the cacti and reduce the potential for theft.
- A speed limit sign of 15 miles per hour will be posted at the entrance of the access road.
- QEP Energy Company (QEP) met with the Bureau of Land Management (BLM) Vernal Field Office (VFO) and the United States Fish and Wildlife Service (USFWS) on February 02, 2012 to discuss the newly established Uintah Basin Hookless Cactus Mitigation Fund managed by the National Fish and Wildlife Foundation (NFWF). QEP agrees to contribute $2,376.00 to this fund in lieu of annual monitoring and reporting on any cacti within the 300 foot buffer. QEP will also be invited to participate on the monitoring board or be part of the contributor's panel for this mitigation fund. The contribution amount was determined by the USFWS and BLM VFO and was based on a formula that calculated the amount of disturbance with the 300 foot buffer area and 4 other variables.

Lessee's or Operator's Representative & Certification:

Valyn Davis
Regulatory Affairs Analyst
QEP Energy Company
11002 East 17500 South
Vernal, UT 84078
(435) 781-4369

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

QEP Energy Company is considered to be the operator of the subject well. QEP Energy Company agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104.2 for lease activities is being provided by Bond No. ESB000024

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operations; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Valyn Davis
Valyn Davis

5/14/2012
Date

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

May 17, 2012

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2012 Plan of Development Nemo Unit, Duchesne and Uintah Counties, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned as a dual horizontal well. The work is planned for calendar year 2012 within the Nemo Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Green River)		
43-047-52673	DS 16G-8-10-18	Sec 08 T10S R18E 0551 FSL 0671 FEL
	Lateral 1	Sec 08 T10S R18E 1850 FNL 0760 FEL
	Lateral 2	Sec 17 T10S R18E 1980 FNL 2400 FWL

This office has no objection to permitting the well at this time.

Michael L. Coulthard

Digitally signed by Michael L. Coulthard
DN: cn=Michael L. Coulthard, o=Bureau of Land Management, ou=Branch of Minerals, email=Michael_Coulthard@blm.gov, c=US
Date: 2012.05.17 13:47:40 -06'00'

bcc: File - Nemo Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:5-17-12

RECEIVED: May 17, 2012

QEP Energy Company

Company Name: QEP ENERGY (UT)

Azimuths to True North
Magnetic North: 11.15°

Magnetic Field
Strength: 52178.9snT
Dip Angle: 65.73°
Date: 2/9/2012
Model: IGRF2010

Project: Desert Springs
Site: DS 16G8-10-18
Well: DS 16G8-10-18
Wellbore: Lateral #1
Design: Plan ver.0

WELL DETAILS: DS 16G8-10-18 Lateral #1

Ground Level: 5251.10

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	7155456.813	2086032.081	39.952706	-109.910297	

REFERENCE INFORMATION

Co-ordinate (N/E) Reference: Well DS 16G8-10-18, True North
Vertical (TVD) Reference: RKB @ 5265.10usft (EST. RKB)
Section (VS) Reference: Slot - (0.00N, 0.00E)
Measured Depth Reference: RKB @ 5265.10usft (EST. RKB)
Calculation Method: Minimum Curvature

PROJECT DETAILS: Desert Springs

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: Utah Central Zone

System Datum: Mean Sea Level

SECTION DETAILS

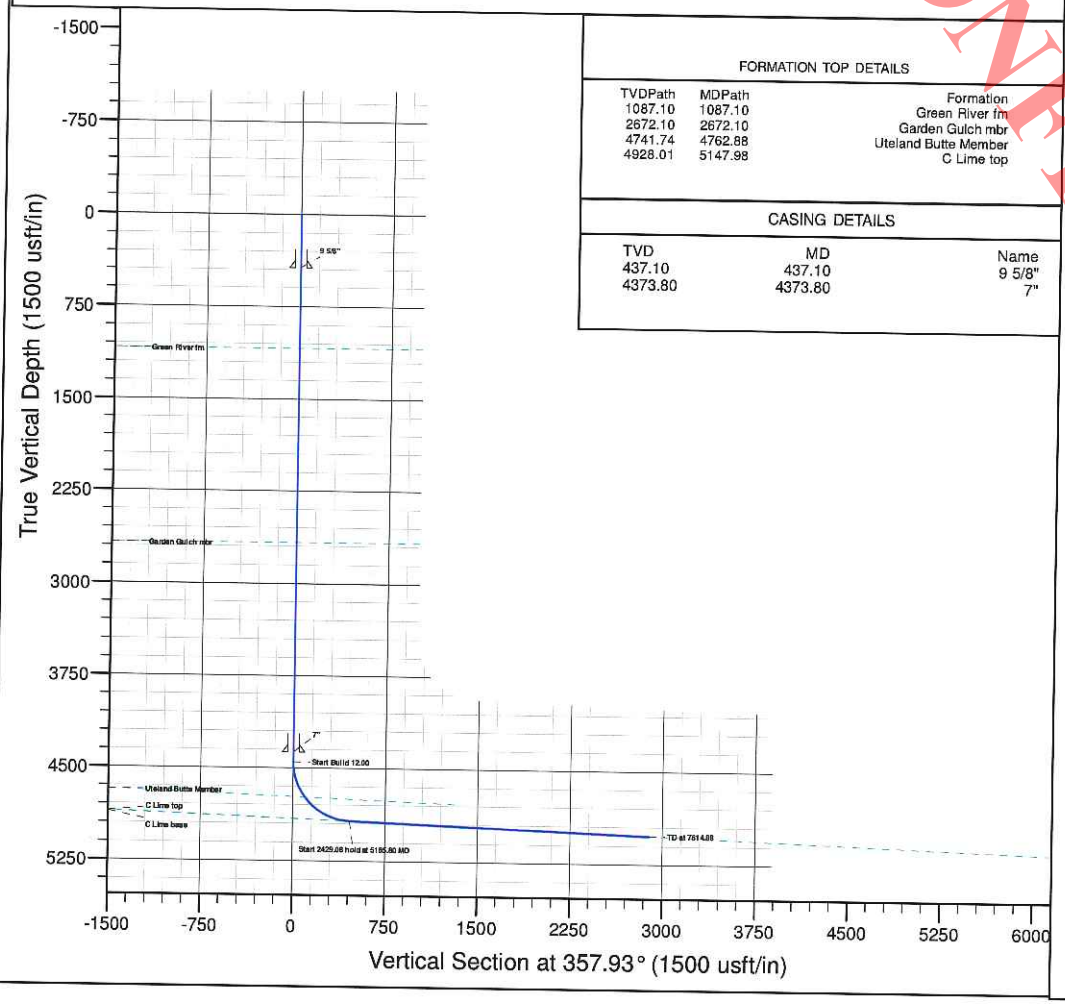
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4453.80	0.00	0.00	4453.80	0.00	0.00	0.00	0.00
5185.80	87.84	357.93	4930.93	459.17	-16.61	12.00	459.47
7614.88	87.84	357.93	5022.48	2884.94	-104.34	0.00	2886.82

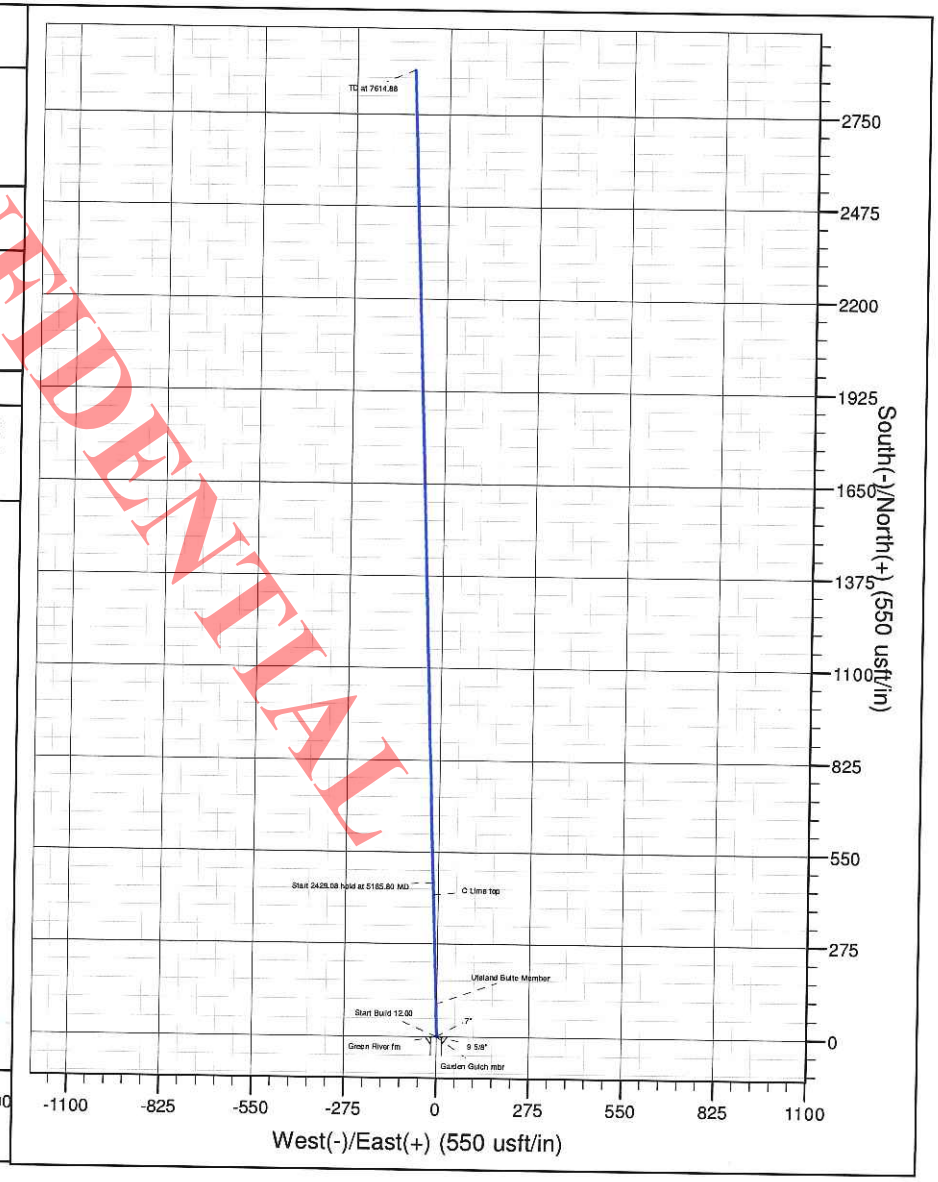
FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1087.10	1087.10	Green River fm
2672.10	2672.10	Garden Gulch mbr
4741.74	4762.88	Uteland Butte Member
4928.01	5147.98	C Lime top

CASING DETAILS

TVD	MD	Name
437.10	437.10	9 5/8"
4373.80	4373.80	7"





QEP Energy Company

Company Name: QEP ENERGY (UT)

Azimuths to True North	Project: Desert Springs
Magnetic North: 11.15°	Site: DS 16G8-10-18
Magnetic Field	Well: DS 16G8-10-18
Strength: 52176.9snT	Wellbore: Lateral #2
Dip Angle: 65.73°	Design: Plan ver.0
Date: 2/9/2012	
Model: IGRF2010	

WELL DETAILS: DS 16G8-10-18
Lateral #2

Ground Level: 5251.10

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	7155456.813	2086032.081	39.952706	-109.910297	

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Measured Depth Reference: RKB @ 5265.10usft (EST. RKB)
Calculation Method: Minimum Curvature

PROJECT DETAILS: Desert Springs

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: Utah Central Zone

System Datum: Mean Sea Level

SECTION DETAILS

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5240.51	91.64	221.08	4896.72	-444.43	-387.38	10.00	589.56
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4733.18	4779.77	Uteland Butte Member
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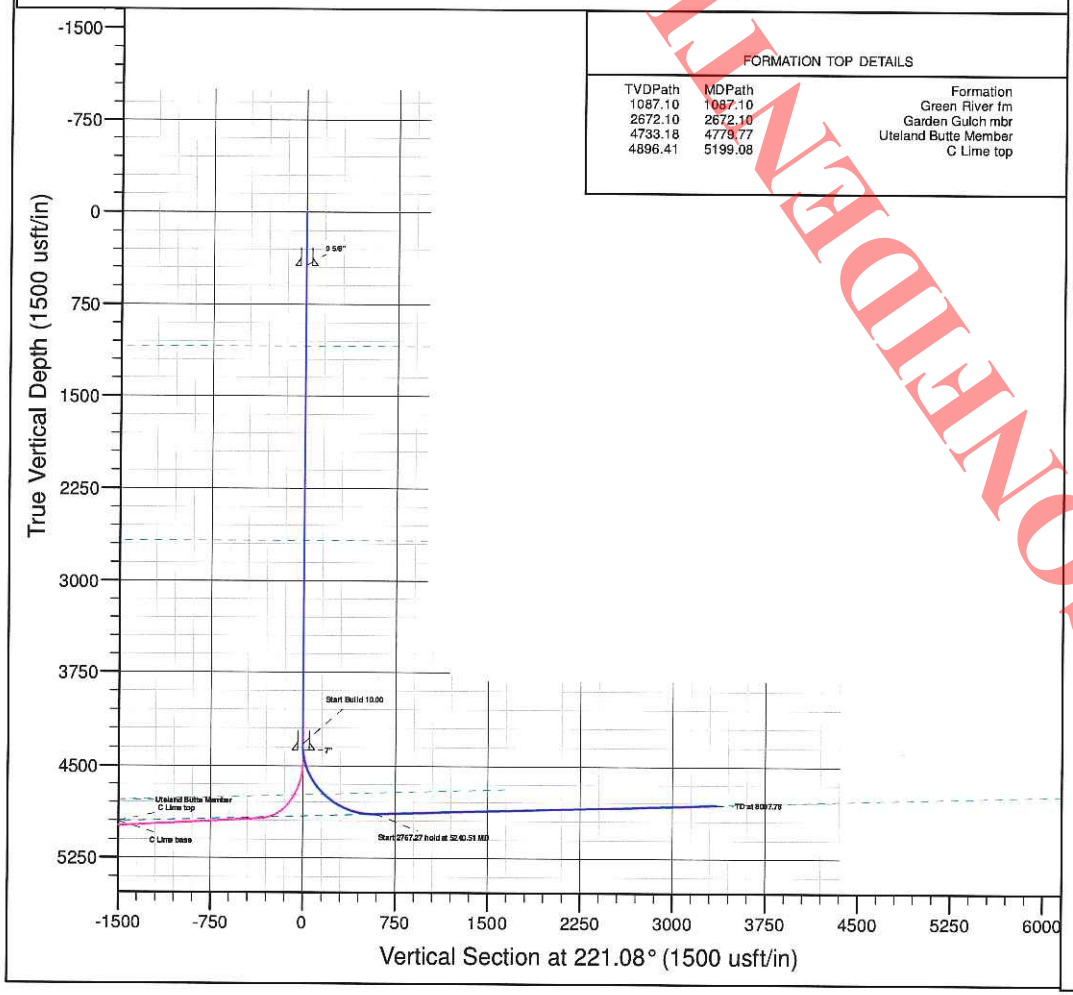
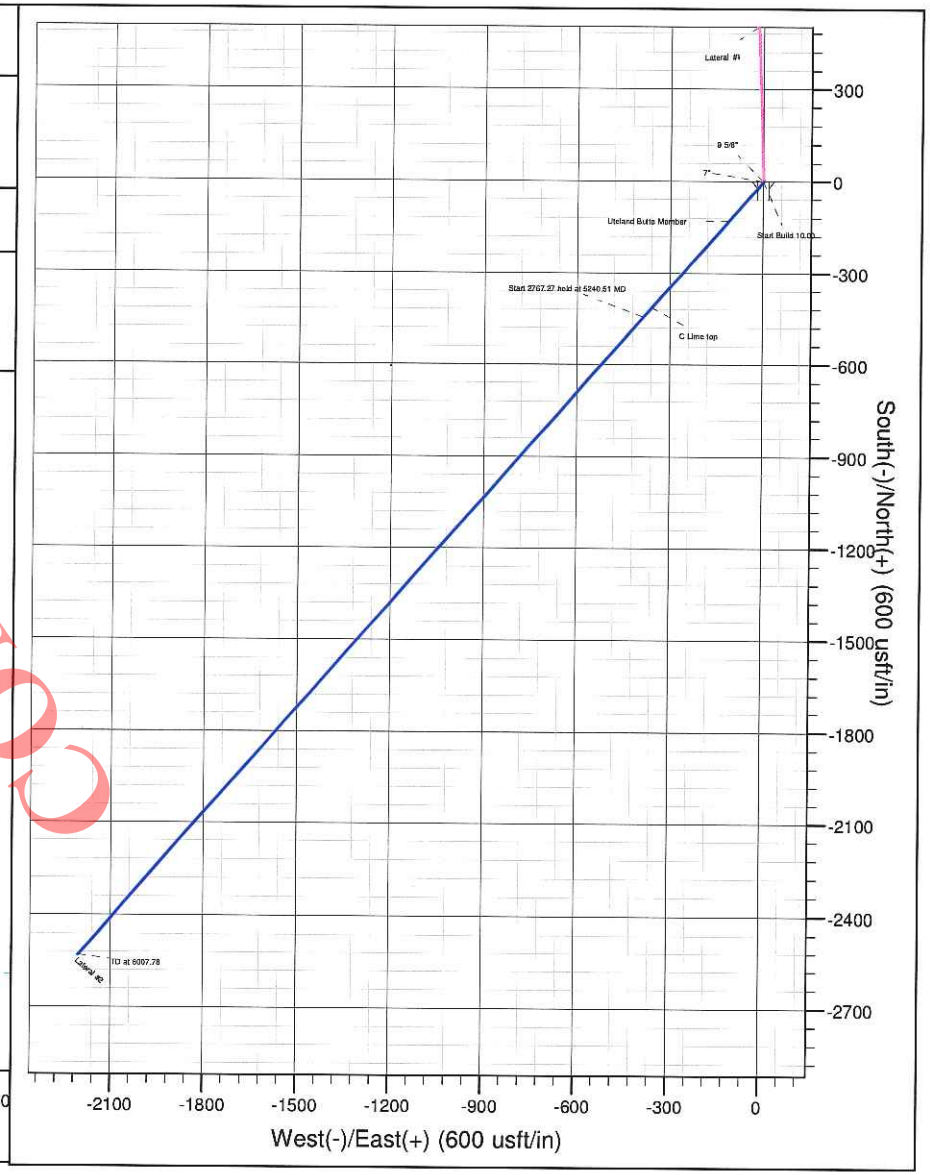
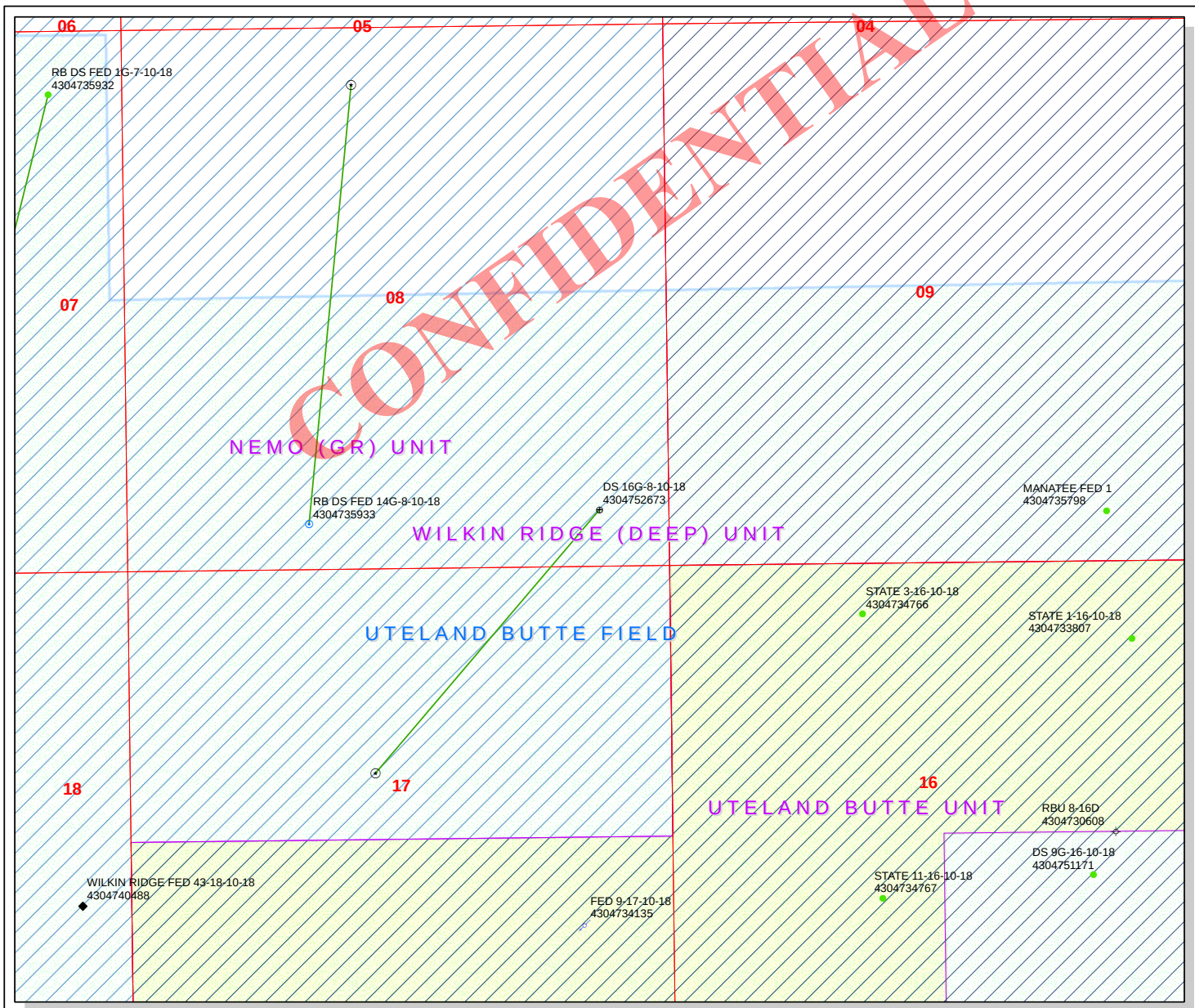




API Well Number: 43047526730000



API Number: 4304752673

Well Name: DS 16G-8-10-18

Township T1.0 . Range R1.8 . Section 08

Meridian: SLBM

Operator: QEP ENERGY COMPANY

Map Prepared:
Map Produced by Diana Mason

Units
STATUS
ACTIVE
EXPLORATORY
GAS STORAGE
NF PP OIL
NF SECONDARY
PI OIL
PP GAS
PP GEOTHERML
PP OIL
SECONDARY
TERMINATED

Fields
STATUS
Unknown
ABANDONED
ACTIVE
COMBINED
INACTIVE
STORAGE
TERMINATED

Wells Query
Status
APD - Aproved Permit
DRL - Spuded (Drilling Commenced)
GIW - Gas Injection
GS - Gas Storage
LA - Location Abandoned
LOC - New Location
OPS - Operation Suspended
PA - Plugged Abandoned
PGW - Producing Gas Well
POW - Producing Oil Well
RET - Returned APD
SGW - Shut-in Gas Well
SOW - Shut-in Oil Well
TA - Temp. Abandoned
TW - Test Well
WDW - Water Disposal
WIW - Water Injection Well
WSW - Water Supply Well

1,200 600 0 1,200 Feet

1:11,873

RECEIVED: May 17, 2012

API Well Number: 43047526730000

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 5/15/2012
API NO. ASSIGNED: 43047526730000
WELL NAME: DS 16G-8-10-18
OPERATOR: QEP ENERGY COMPANY (N3700)
PHONE NUMBER: 435 781-4369
CONTACT: Valyn Davis

PROPOSED LOCATION: SESE 08 100S 180E
Permit Tech Review: ☑

SURFACE: 0551 FSL 0671 FEL
Engineering Review: ☐

BOTTOM: 1980 FNL 2400 FWL
Geology Review: ☑

COUNTY: UINTAH
LATITUDE: 39.95270
LONGITUDE: -109.91024
UTM SURF EASTINGS: 593086.00
NORTHINGS: 4423076.00
FIELD NAME: UTELAND BUTTE
LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU81003
PROPOSED PRODUCING FORMATION(S): UTELAND BUTTE
SURFACE OWNER: 1 - Federal
COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- ☑ **PLAT**
- ☑ **Bond:** FEDERAL - ESB000024
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☑ **Water Permit:** 49-251/ 49-2153
- ☐ **RDCC Review:**
- ☐ **Fee Surface Agreement**
- ☐ **Intent to Commingle**

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit: NEMO (GR)

- ☐ **R649-3-2. General**
- ☐ **R649-3-3. Exception**
- ☑ **Drilling Unit**

Board Cause No: R649-3-2
Effective Date:
Siting:

- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations:
4 - Federal Approval - dmason
23 - Spacing - dmason
27 - Other - bhill

RECEIVED: May 22, 2012

GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

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Well Name: DS 16G-8-10-18
API Well Number: 43047526730000
Lease Number: UTU81003
Surface Owner: FEDERAL
Approval Date: 5/22/2012

Issued to:
QEP ENERGY COMPANY, 11002 East 17500 South, Vernal, Ut 84078

Authority:
Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-2. The expected producing formation or pool is the UTELAND BUTTE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:
This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:
Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:
State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the “Board”). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

In accordance with Utah Admin. R.649-3-21, the operator shall submit a complete

angular deviation and directional survey report to the Division within 30 days following completion of the well.

Notification Requirements:
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well - contact Carol Daniels at 801-538-5284
  (please leave a voicemail message if not available)
  OR
  submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website
  at http://oilgas.ogm.utah.gov

Reporting Requirements:
All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation
- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

Approved By:

For John Rogers
Associate Director, Oil & Gas

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU81003

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NEMO (GR)

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: DS 16G-8-10-18

2. NAME OF OPERATOR: QEP ENERGY COMPANY

9. API NUMBER: 43047526730000

3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078

PHONE NUMBER: 303 308-3068 Ext

9. FIELD and POOL or WILDCAT: UTELAND BUTTE

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0551 FSL 0671 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 08 Township: 10.0S Range: 18.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 5/22/2014	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QEP ENERGY COMPANY HEREBY REQUESTS A ONE YEAR EXTENSION FOR THE APD ON THE ABOVE CAPTIONED WELL.

Approved by the Utah Division of Oil, Gas and Mining

Date: May 23, 2013

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Valyn Davis	435 781-4369	Regulatory Affairs Analyst
SIGNATURE N/A		**DATE** 5/21/2013

RECEIVED: May. 21, 2013

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047526730000

API: 43047526730000
Well Name: DS 16G-8-10-18
Location: 0551 FSL 0671 FEL QTR SESE SEC 08 TWNP 100S RNG 180E MER S
Company Permit Issued to: QEP ENERGY COMPANY
Date Original Permit Issued: 5/22/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Signature: Valyn Davis **Date:** 5/21/2013
Title: Regulatory Affairs Analyst **Representing:** QEP ENERGY COMPANY

RECEIVED: May. 21, 2013

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078
http://www.blm.gov/ut/st/en/fo/vernal.html

MAY 14 2014

IN REPLY REFER TO:
3160 (UTG011)

Jan Nelson
QEP Energy Company
11002 East 17500 South
Vernal, UT 84078

43 047 52673

Re: Request to Return APD
Well No. DS 16G-8-10-18
SESE, Sec. 8, T10S, R18E
Uintah County, Utah
Lease No. UTU-81003

Dear Jan:

The Application for Permit to Drill (APD) for the above referenced well received in this office on May 16, 2012, is being returned unapproved per your request to this office in an email message to Land Law Examiner Robin R. Hansen received on April 23, 2014. If you intend to drill at this location at a future date, a new APD must be submitted.

If you have any questions regarding APD processing, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Resource Minerals

Enclosures

cc: UDOGM

bcc: Well File

RECEIVED
MAY 21 2014
DIV. OF OIL, GAS & MINING

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

July 9, 2014

Valyn Davis
QEP Energy Company
11002 East 17500 South
Vernal, UT 84078

Re: APDs Rescinded for QEP Energy Company, Uintah County

Dear Ms. Davis:

Enclosed find the list of APDs that you asked to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective July 2, 2014.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR
OIL, GAS & MINING

43-047-52673	DS 16G-8-10-18
43-047-39342	NBE 15AD-10-9-23
43-047-39343	NBE 6DD-10-9-23
43-047-39344	NBE 6AD-10-9-23
43-047-39345	NBE 6BD-10-9-23
43-047-39347	NBE 7BD-17-9-23
43-047-39350	NBE 11CD-17-9-23
43-047-39352	NBE 3DD-26-9-23
43-047-39353	NBE 3CD-26-9-23
43-047-39354	NBE 7DD-26-9-23
43-047-39355	NBE 12AD-26-9-23
43-047-39356	NBE 5DD-26-9-23
43-047-39357	NBE 13AD-26-9-23
43-047-39358	NBE 14AD-26-9-23
43-047-39359	NBE 9CD-26-9-23